Oakes Retires (Page 14)

Inflation and Bonds (Page 9)

Largest Circulation of Any
Canadian Financial Paper

THE FINANCIAL POST

The Canadian Newspaper for Business Men and Investors

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The Nation's Business

New Deal Laws Should Be Taken in Hand Slowly

Long-term Programme

Compulsory Pool Propagandists Are Routed

New Deal in Wheat

Evidence Shows Our Blunders

A Long-term Programme

IT IS doubtful if there is a single member of Parliament who could name off-hand all of the important new legislation that has gone through the Commons and the Senate this session. Mr. Bennett, of prodigious memory, might be able to do it.

The prime minister's advisers and the law officers of Parliament have never had such a busy few months. They have rushed bills to the floor of the House. Even in the major New Deal bills there has been such careless drafting that the House committees and the Senate have been kept busy correcting mistakes, giving them little time for consideration of major policies.

Nevertheless the bills have gone through and the way has been opened for appointment of several thousand new public servants to carry out a vast and far-reaching programme of social and economic "reform."

What the country has gotten is a series of enactments that cannot properly be regarded as anything but a long-term programme.

To try to get all of the new commissions established and all the legislation under enforcement within a few months would be to tackle the impossible.

* * *

THE election will be fought out ostensibly on the New Deal, but as is often the case in periods of economic stress the majority of the votes may be influenced by other and possibly extraneous considerations. The campaign may be fought on the New Deal but it will not necessarily be won or lost on the New Deal.

Whatever government comes into power, Conservative or Liberal, need not feel that it has any mandate to put into operation every so-called "reform" measure for which legislation has been provided. The head of the new government, be it Mr. Bennett or someone else, would be wise to inform the public frankly that both administrative and financial difficulties make it impossible to implement all of the over abundant legislation of this session at once.

There has been too much haste in framing the "programme" and passing the bills and this haste might wisely be offset by some caution and delay in carrying out the programme.

* * *

A Chance Now To Sell Wheat

SELDOM has there been such a complete reversal of policy as the Government has shown in the handling of the wheat bill. A few days ago the Government planned to set up a wheat dictatorship, to wipe out existing agencies of sale, to force all grain growers into one compulsory pool.

Now it has switched completely over to a plan to pay a fixed minimum price to the farmers, to permit the ordinary agencies of sale to operate when the market price is higher than the minimum, and to sell our current stock of 225 million bushels of surplus wheat as quickly as possible.

The plan of protecting the farmer with a minimum price while keeping wheat flowing to market, is borrowed from the Argentine. There the Government recompenses itself for its loss by controlling foreign exchange and selling it at a profit. The result is to give the farmer a fixed minimum price at the expense of other elements in the nation. If the Canadian minimum is set below the market price the same thing will follow here, the contributors being the taxpayers. But how burdensome the plan will be will depend upon the courage shown by the Government in resisting political demands for a price higher than is justified on either economic or social grounds.

* * *

ALL will now depend upon the administration of the plan. It has within it the possibilities of successful solution of the problem of our wheat surplus and the regaining of our foreign markets. It has within it also the possibilities of creating an even worse situation than now exists. And with an election pending no one can safely forecast how the new legislative instruments will be used in the next few

(Continued on page 2, col. 3)

Burns & Co. Earnings Reported Still Gaining

Earnings of Burns & Co. for the first five months of 1935 were substantially above the corresponding period in 1934, The Financial Post learns from a reliable source.

It is understood that the 3½ per cent interest rate which now applies on half of the company's bonds has been amply covered. Last year the two per cent interest rate which applied to the end of 1934 was covered with approximately $140,000 left over to add to working capital. From Jan. 1, 1936, until maturity the interest rate is five per cent.

Improved earnings definitely bring nearer the possibility of a payment on the other half of the company's bonds which are on an income payable basis. Under the reorganization these will pay up to five per cent in any year up to 1936 when working capital would not be reduced below $2.50 millions by such payment and from 1936 to 1938 when it would not be reduced below $2.75 millions. By the end of 1934 working capital had been built up to $2,439,332.

WEST SEES SALE THEME FOR WHEAT

Theory of Stabilization Basis of Former Errors

REPUDIATES PAST

From Our Own Correspondent

WINNIPEG. — The new grain board legislation as it has been revised in committee may be criticized in detail, but in the view of grain authorities there is this to be said for it that it appears to declare a national policy, that the wheat of Canada shall be sold instead of being hoarded. It appears to repudiate the whole vicious theory of stabilization on which the wheat errors of Canada during recent years have been based.

It is doubtful if the mass of wheat and wheat contracts which have been taken over by the board can be liquidated in nearly so short a time as appears to be contemplated. The market machinery, thrown out of gear by the Government sponsored operations of recent years, cannot be expected immediately to reabsorb the Government holdings and at the same time take care of the new crop coming along. The country will not want to see a situation created in which the present holdings have been liquidated merely to be replaced by a new set of holdings acquired from farmers under the minimum price arrangements, with the board having two different blocks of wheat to handle, the old "stabilization" wheat and the new holdings.

Canada To Sell

But once the principle is recognized that Canada intends to sell her wheat, and to compete for the world markets that may be available, it should be possible for sound administration to work out the problem of restoring the market machinery to normal functioning. Some flexibility of administration is required, and if this is lacking in the present draft, it should be provided for before the bill is finally enacted.

Nor should it be forgotten that at least 150 million bushels of wheat are being held by various owners under hedging arrangements made with the Government agency, and under the implied understanding that the owners will not be subject to loss through their co-operation with the plan heretofore followed. The hedging contracts in large part, cannot be literally carried out, and the board must have power to avoid what would constitute repudiation of a former arrangement. Consequently the board should, Winnipeg grain experts point out, have power to continue operations in the futures market at least until the existing snarl can be disentangled.

The provisions for a minimum price to be paid by way of an initial payment could give rise to great difficulties if unsoundly handled. But given sound sense, careful administration and adherence to basic principles, it should be possible for Canada to work out of her present wheat tangle under the provisions of the grain board bill as amended.

Auto Financing Still Shows Gain

Auto financing continued to move forward in May, but the advance was not as great as in previous months. A slowing up of May sales of motor vehicles is reflected in the financing figures. The crude index for employment was higher than for the previous month and the same date last year.

Monthly	May	Change From Prev. Period	Change From Prev. Year
Auto fin. $	6,146,993	+14.0	+27.9
Tea imports, lbs.	3,189,305	+23.4	+25.6
Pete. imports, gal.	113,131,917	+18.0	+14.4
Coal prod. tons .	920,736	+ 4.4	— 8.3
Coffee impts., lbs.	3,424,513	+67.8	—22.6
Employment index	97.6	95.2	96.6
Weekly			
Carloadings No. .	43,580	— 2.5	— 1.9

Corp. Investors Raises Price of Shares to $6.40

Due to further appreciation in market value of security holdings, offering price for shares of Corporate Investors Ltd. has been raised to $6.40 a share from $6.25 a share effective immediately. This is an alteration from the figures given on page 9. The price was raised to $6.25 a share on Feb. 4 last.

Subscribed capital of the trust is now about $265,000, an increase of over 50 per cent from Dec. 31, 1934.

There are now 45,723 shares outstanding.

Annual meeting of the trust held this week was of routine character, directors and officers being reelected.

Montreal's Gasoline War Helps Motorists

From Our Own Correspondent

MONTREAL. — Montreal's gasoline price war continues, much to the joy of the motorist who does not care how long it lasts. There has been more or less stabilization of the situation in the past week, with the price range varying from 12½ cents a gallon for the lower grades to 16 cents a gallon for the high-test gasolines. In all cases the price is exclusive of the six-cent gallonage tax collected by the provincial government.

There has been no indication of a change of heart by the St. Lawrence Oil Co., which initiated the fight by cutting prices to introduce its own brands of gasoline in this market. The manager of the company is quoted as saying that they can sell gasoline at 10 cents a gallon and still make a good profit.

LOBLAW HOLDS GAINS IN SALES THROUGH YEAR

Earnings Within Few Cents Per Share of 1934

ENLARGES OUTLETS

Notwithstanding the onslaught against chain food stores in general by the Price Spreads Commission and growing competition of straight independent and independent chain groups, sales were increased and profits practically maintained by Loblaw Groceterias Ltd. in the fiscal year which ended May 31, 1935. The fact that the company's business is concentrated in urban Ontario was undoubtedly a dominant factor contributing to this favorable showing.

Concentrated

By this concentration the company escaped the effects of a disastrous price competition which has featured the retail food business of Montreal throughout most of the past year. It also permitted the company to escape the high municipal taxes which have been levied in that same city.

Extends Markets

A gradual extension of the company market stores where fruits, vegetables and meats are handled as well as groceries is reported with the number of such markets now standing at 34 as compared with 22 a year ago. These additional outlets would probably account for more than the increase of approximately $700,000 in gross sales.

To handle this new business additional plant with cold storage space was built at the Toronto warehouse during the year and also a garage for storing and servicing the company's fleet of trucks.

"The expenditure for these," J. Milton Cork, president of the company reports to the shareholders, "has been fully justified by the apparent economies which have already been effected. Further consideration will be given to the increasing of the number of markets during the coming year"

Steady Sales Gain

With the exception of one four week period the company reported gains in sales throughout every month of the fiscal year just closed with an average gain for the whole year of over five per cent. Throughout the early part of the year, profits also scored a slight advance over the previous year but this trend was replaced by slight declines throughout the winter and most of the spring. Total recession for the year, however, was less than one per cent. On a share basis, earnings were $1.08 as compared with $1.12 in 1934, or $1.10 if deduction is made for additional 1934 income taxes appropriated in 1935.

Most of the slight falling off in 1935 profits, however, the company states were due to a decline in the income from investments and not from trading profits The company holds about $1.1 millions in bonds and investment certificates and apparently interest on some of these declined with the decline in interest rates generally throughout the year.

For detailed earning statement see page 15.

IMPERIAL OIL PUSHES ESSO WORLD FIGHT

Standard of California Competition Begins in British Columbia

BATTLE OF BRANDS

War Started by Titans of New Jersey and Indiana May Spread Into Canada

Decision of Imperial Oil to market "Esso" brands actively in Canada is believed to be one shot in a worldwide battle to develop markets for well-known brands. Standard Oil companies have become keenly competitive with one another in the United States and current court battle between Standard Oil Co. of New Jersey and of Indiana in the United States has awakened every company to the need of protecting its fences all over this continent so far as its brands are concerned.

Catering to Tourists

Imperial Oil, it is understood, values its present brands highly but it sees as well the world-wide trading value of a brand like "Esso." In the huge tourist business enjoyed by Canada, Imperial Oil believes it will have a preferred position with United States tourists with a brand so familiar to them as "Esso."

Standard (B. C.) Gets Busy

Imperial Oil, which is affiliated with Standard Oil Co. of New Jersey through the latter's ownership of majority shares, is believed also to have made this move to prevent some other Standard Oil subsidiary establishing a brand with a similar name. For example, Standard Oil Co. of British Columbia, recently formed, is believed to be a subsidiary of Standard Oil Co. of California. That company plans, according to S. E. Nord, general manager, to spend half a million dollars on a refinery now being erected at Burnaby. It will be ready about December 1.

Builds Refinery

The plant will be on a site of 55 acres bordering Burrard Inlet beyond the Second Narrows bridge. It will have a new wharf 400 by 40 feet, suitable for ocean tank ships bearing light California valley crudes. The distillation units will be capable of dealing with 2,000 barrels daily. Forty service stations are already being arranged for in Vancouver, Victoria and Nanaimo.

Competing at Coast

Thus Imperial Oil and Standard Oil Co. of B. C. will be in keen competition at the Coast. A tactical advantage is sought by Imperial in playing up the best known brand of the largest Standard Oil Co. (New Jersey), oil men think. It is not known what brands Standard of B. C. will market but apparently Imperial is taking no chances. It has its own refinery at Ioco, B.C., and does a very large business in gasoline and even more in fuel oil of which British Columbia takes one third of the total amount consumed in Canada.

Standard Oil Co. of N.J. recently went into states ordinarily considered Standard Oil Co. of Indiana territory under the name of Esso, Inc. Indiana's chief brands were "Soco" and "So" and it claims that "Esso" is simply "So" spelled out. Indiana had infringed on New Jersey territory first but it claimed that it did not infringe the latter's trademarks. The courts are trying to decide whether or not N. J. has the right.

CHARTERED LOAN ORDERED TO CEASE SALE OF SECURITY

From Our Own Correspondent

MONTREAL. — Chief Justice R. A. E. Greenshields, of the Superior Court of Montreal, has ordered the Chartered Loan and Finance Corp., Ltd., of Montreal and others to cease trading in securities for all time until such time as the court may fix.

Application to have activities of the company curtailed was presented by the Quebec Attorney-General and was directed not only against the company but against Gaston Desrochers, broker, and J. J. Levinson, president of the Chartered Loan.

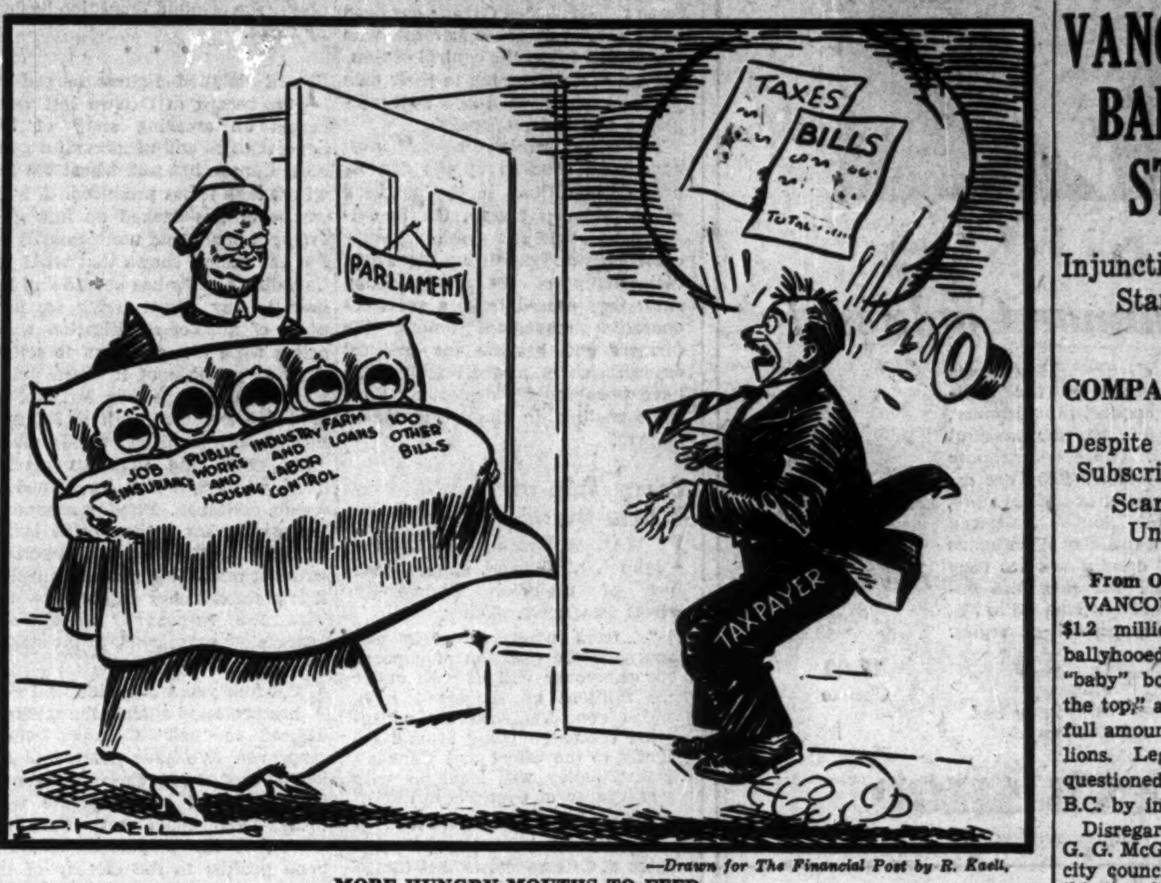
Worked "Morris Plan"

Petition of the Attorney-General for the injunction pointed out that the company was doing business under the system known as the "Morris Plan." It had been issuing bonds known as "7 per cent, Chartered income certificates," principal payable January 15, 1944, and interest January 15 and July 15, the certificates carrying a bonus warrant of 25 per cent payable out of the profits of the company, as, if and when earned.

The securities were sold to the public by officers and employees of the Chartered Loan, none of whom are registered as brokers, and by Desrochers, whose brokerage registration had been cancelled last May.

Company is Insolvent

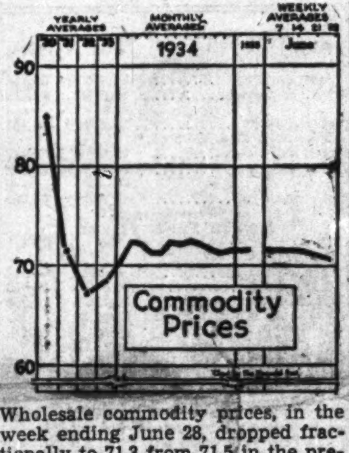
Counsel for the Attorney-General pointed out that the company's securities were not backed by any tangible asset as the company was insolvent, and sale of the securities constituted an intentional misrepresentation of a material fact as to their value.



—Drawn for The Financial Post by R. Kaell.

MORE HUNGRY MOUTHS TO FEED

Oust Maple Leaf Milling From Can. Bread Control Says Agreeing Group



Wholesale commodity prices, in the week ending June 28, dropped fractionally to 71.3 from 71.5 in the preceding week, according to the index compiled by the Dominion Bureau of Statistics.

Supersilk Ltd. Splits Common Four for One

Supersilk Hosiery Mills Ltd. has been granted supplementary letters patent to split its 25,000 no par value authorized and issued common shares four for one. Each present share will receive three no par value class A shares and one no par value class B share, making the total of issued shares 75,000 class A and 25,000 class B shares of common stock.

The company also got authority to issue 50,000 additional class A shares of common stock when desirable. In the annual report issued April 15, W. S. Thompson, president, stated the company is taking steps toward the installation of a throwing plant and a dye house for the purpose of rounding out operations.

Stock of the company was offered and taken up by the public in 1929, 1930 and 1931. The company built a new factory in 1929, expanded its equipment for two years and then completed a new plant in 1929. Early in 1930 a new four-story process building was completed. The building programme is evidently about to be continued as the company reported capacity operations last year and had to add knitting machines to keep up. Prices were lower but volume increasing.

B. A. Oil 1935 Sales Exceeding 1934 Peak

In a letter accompanying dividend payments of July 2 to shareholders, J. C. Millar, treasurer of British American Oil Co., says sales of Nevr-Nox gasoline show an increase during the first five months of 1935.

Sales of all products are ahead of the same period of 1934. Sales had reached a new peak in 1934 but this result shows a continuance of the general improvement.

Matter Will be Discussed at Annual Meeting in Few Weeks

SHARE REVAMPING

Changed Plan Gets Tentative Approval at Special Meeting — Participation of B Stock Improved

Canada Bread annual meeting in a few weeks is destined to see fireworks. Some preferred shareholders do not think that Maple Leaf Milling Co. should have control through 200,000 no par value common shares that represent little actual investmeent.

Compromises were reached among various classes of shareholders with reference to other disputed points in the plan for capital reorganization. This was made evident at the special meeting on June 27 when those present indicated by a show of hands their approval of increasing participation of B shareholders in possible future increases in the company's earnings. This would be accomplished by limiting the initial dividend on common stock to 10 cents instead of 20 cents a share before B preferred shares in further disbursements. But final approval of the plan must be given at the annual meeting. The company will set forth the amended plan in a letter to shareholders and ask proxies.

But T. Stewart Lyon, E. J. Bennett and A. Monty Macrae were insistent that Maple Leaf Milling control should go, even if special legislation should prove to be necessary.

Giving B Better Deal

The capital structure, which President Carlisle says is full of water and should be changed to put the company in a realistic and competitive position, is now as follows:

Present Capitalization

	Authorized & Outstanding $	Par Value $
Non-cumulative 1st 7% preferred	1,250,000	100
Non-cumulative 2nd 7% preferred	2,500,000	100
Com. shs., No. of.....	200,000	no par

The main changes, as suggested by the Canada Bread board and amended by compromises among various classes of shareholders will be as follows unless further changes are determined on at the annual meeting with regard to common shares of Maple Leaf Milling Co.:

Non-cumulative 7 per cent first or A preferred stock of $100 par value is to become cumulative, pay 5 per cent until 1941 and 6 per cent

(Continued on page 2, col. 5)

Senate Up—Tories Slump: Political Market Active

Political gossip narrows down as the Parliamentary session draws to a close and the parties prepare for a short, bitter election campaign. This week the following items provided conversation among the "wiseacres":

Even sponsors of Senate "reform" have been impressed by the serious manner in which the Upper Chamber has tackled the job of refining the New Deal legislation, most of which was passed by the Commons in very loose and dangerous form.

Senate leader Meighen has resisted pressure from the P.M. to speed up the work, declaring that the Senate intended to do its work thoroughly.

Both Conservatives and Liberals at Ottawa concede that the Liberals have the edge in the election. The New Brunswick vote dissolved most doubts.

Realists aver that the people are simply against those in power. It is not a swing from Conservatism to Liberalism. The Tories just happen to be the "goats" of the depression. If the Grits were in power they would suffer the same fate.

Liberals at Ottawa considered the New Brunswick election a 50-50 chance. They were as surprised by the landslide as was Premier Tilley.

Mackenzie King realizes that he will have to assume no light task if he wins the election. He may be forced to shelve the major portion of the Bennett "New Deal" until the country can afford it.

Even Mr. Bennett was surprised by some of the evidence about Mr. McFarland's wheat operations. Mr. McFarland has put the Prime Minister in a difficult position. Mr. Bennett left him unhampered in his work but thought that an earnest effort was being made to sell wheat.

Highlights

McFarland's Wheat

Records in chart and story show that government wheat stabilization has consisted of buying without major selling. New grain board bill provides a sort of national wheat policy. Significance of developments. Page 13

Inflation and Bonds

In several aspects moderate credit inflation may actually be advantageous to certain types of bonds. Rising costs of living, however, would tend to have adverse results for some classes of creditors. Page 9

Roosevelt Socialism

Socialism via the tax route seems to be one of Mr. Roosevelt's aims in the U.S.A. Plans to "share the wealth." Page 6

Investment Trusts

Selling at deflated values, shares of several trusts are available well below break-up values. Brief analyses of a half-dozen trusts for the present and prospective investor. Page 9

Belgium and Markets

Belgium criticizes Canada's tariff wall. It buys our wheat. Its plaint is that it cannot sell enough goods to us in return. Implicit: where does our wheat farmer get off? Page 4

Rich Mr. Oakes

Harry Oakes is to retire from Lake Shore presidency. After a world-wide search for gold, he found it close to his own back door. Page 14

Cheaper Fuels

Powerful interests again seek to develop Ontario's peat and lignite. Long known, formerly believed non-commercial, the deposits offer a gamble. Page 16

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VANCOUVER BABY BONDS STRIKE SNAG

Injunction Proceedings Started; Sell Over $1,200,000

COMPANIES SUBSCRIBE

Despite Canvassing, Small Subscriptions Notable For Scarcity; Offer on Uneconomic Basis

From Our Own Correspondent

VANCOUVER.—With sales over $1.2 millions, Vancouver's widely ballyhooed issue of three per cent "baby" bonds was reported "over the top" at mid-week, although the full amount of the issue is $1.5 millions. Legality of the issue was questioned in the Supreme Court of B.C. by injunction proceedings.

Disregarding this litigation, Mayor G. G. McGeer said the action of the city council in offering the issue at this time had been vindicated by the public. He said that construction of a new $1,000,000 city hall, the chief project to be financed by the bonds, would proceed without further delay. Contractors and supply houses, eager for business, have agreed to accept part payment for work and material in "baby" bonds at par. They would take the bonds for the portion, if any, of the cost which the city may not raise from the public offering.

Vancouver five per cent bonds continue "sticky" at around 85 cents on the dollar in the open market.

Corporations Buy

Corporations with important commercial connections in Vancouver were large subscribers for "baby" bonds. Imperial Oil Ltd alone took a block of $100,000. Larger subscriptions by such business firms accounted for over 80 per cent of the bonds sold. Considerable publicity was attached to these commercial subscriptions. Although strong efforts were made to sell the issue on installment terms to small buyers, no great portion of the loan was raised in this manner.

Mayor McGeer seemed surprised at the apparent success of the loan. As quotations for Vancouver five per cent bonds indicate, it was offered on a basis uneconomic to investors. Relief camp and waterfront strikes had been looked on as likely to be detrimental to the loan. As usual, Mayor McGeer took the opportunity to state that the bond sales had been an emphatic answer to those who said Vancouver's credit would be injured by the city's attempt to reduce interest rates. Creditor interests looked to open market quotations, however, as indicating that Vancouver has been injured. It is contended that local sale on a patriotic basis does not give a true interpretation of the city's power to borrow freely at attractive rates.

Litigation Against Bonds

Injunctions are sought against the city by H. R. Bray, Vancouver solicitor, who attacks the legality of the "baby" bond issue, and by J. B. Williams. Mr. Williams, formerly city solicitor, is acting on behalf of Herbert Louis Smith, president of the Citizens' Protective League. Both injunction-seekers would prevent further sales of the bonds.

Chief grounds for disputing validity of the bonds are that they are charged on water rates and that they should have been charged on the rateable property of the city in accordance with the Vancouver Incorporation Act. It is pointed out that water rates are not rateable property and that to charge the bonds against water rates will result in higher costs for water.

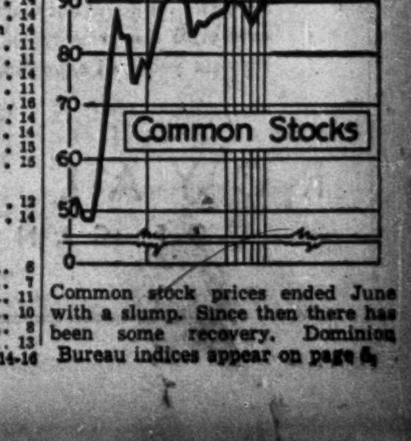
Further, it is contended that Vancouver has already reached the limit of its borrowing power which is 20 per cent of the assessed value of city real estate. It is also argued that the bonds are invalid because there is no provision for paying them off by equal annual installments.

In this connection it is reported that the city has the power to borrow on bonds retireable by sinking fund or alternatively by installments. The "baby" bond issue provides for installment redemption over 10 years.

Ontario Power Co. Invites Tenders on 5% Bonds

Ontario Power Co. of Niagara Falls has called for tenders on its five per cent first mortgage bonds, to be purchased for the sinking fund. The sum of $125,246 is available

Bondholders willing to sell the securities are requested to submit offers of bonds to the Toronto General Trusts Corp., trustee.



Common stock prices ended June with a slump. Since then there has been some recovery. Dominion Bureau indices appear on page 6.

HEADED
for Summer Coolness!

Because sport clothes will comprise the big percentage of the well-dressed man's apparel this Summer, PANAMAS will be the natural choice in hats. Those who choose theirs from the Men's Shop are assured of hat comfort as well as style, for these real South American Panamas have ventilated sweatbands and ventilated crowns and are very light in weight. Bleached and unbleached hats in sizes from 6¾ to 7½, in the following prices and styles:

4.50 *Styles:— Fedora and Optimo*
6.00 *Optimo, Broadway and Balibuntal*
10.00 *Optimo*

MEN'S SHOP
Bay Street Section

EATON'S - COLLEGE STREET

Two Governments Hoist Costs for United Fuel

Shareholders of United Fuel Investments were told at the annual meeting in Toronto on June 26 that there should be a seasonal duty on coke. The advocate of this measure was T. P. Pinckard, general manager of Hamilton By-product Coke Ovens, subsidiary. He explained that mine costs had risen in the United States as a result of the N.R.A. code and that Canadian costs had also been affected by the action of the Dominion government in reducing the customs drawback on imported coal used in the manufacture of coke from 99 to 50 per cent.

"We have had to face competition from competing imported fuels, such as anthracite and industrial coke, while our own costs have increased by $300,000 in a year. Anthracite prices actually are lower in this market since the N.R.A. affected the cost of bituminous coal," said Mr. Pinckard. "We have not yet convinced the Government that it should make changes in the tariff which will restore our competitive position, but we are continuing to press our claims."

S. A. Morse, president, told of increases in gross volume of gas sales, although prices for industrial gas were low.

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OF CANADA

The Nation's Business

(Continued from page 1)

months. So judgment must be reserved.

The new legislation marks the rout of the small crowd of political propagandists who have led governments and farmers alike around by the nose for several years past. But as the evidence unfolded itself before the House of Commons wheat committee last week it became apparent that Canada has been badly served by those interests who would like to get the control of Canada's wheat marketing in their own hands to be operated as a well-integrated political monopoly.

The Prime Minister himself must have been shocked by the disclosures of ineptitude in the handling of our major cash crop. On the evidence he could not possibly justify continuing and enlarging the wheat dictatorship of the pools. Long since they ceased to be a great co-operative movement among the farmers and became the political organization of a small group who have been rapidly destroying Canada's position in the world wheat market.

* * *

Sorry Tale of Wheat Blunders

IT WAS on February 14 last that John I. McFarland, general manager of Canadian Co-operative Wheat Producers, said:

> "...from whatever angle you approach the question of exports, our carryover will be well under 100 millions on August 1 next, which contrasts with the whispering campaign going around recently to the effect that Canada's foolish policy will leave us with a carryover of over 200 millions."

This was on February 14 last. The evidence presented to the grain committee at Ottawa shows that Canada has now a carryover of 200 million bushels and that Mr. McFarland himself is carrying wheat or options on wheat to a total of 225 million bushels, which would cover much wheat in flour mills, afloat or otherwise not included in the "visible" supply.

This is what has been going on for four years; bright promises and small results in liquidating our wheat surplus—the biggest individual weight on world wheat markets. In the process of attempting to sell 75 millions of bushels of pool wheat, carried over from the 1930 crop, the quasi-governmental agency has missed the market time after time and has succeeded only in multiplying the original 75 million bushels by three.

* * *

THE detailed figures spread on the record in Ottawa last week reveal an amazing story of lost opportunities and unsuccessful gambles. Canada has sold wheat but less wheat than it has produced. A huge carryover has backed up into government hands and unnecessarily so. For the record shows that what the Canadian agency has been doing has been to buy wheat freely for purposes of market stabilization when prices were low and then to sell as little as possible of it when prices were high. At one time Mr. McFarland had a paper profit of $40 millions, which vanished almost overnight when the fictitious market boom of 1933, which he helped to create, collapsed. Playing around in the market for paper profits is not price stabilization nor is it a serious effort at marketing a wheat surplus. It is plain ordinary gambling — but with the taxpayers' money and farmers' wheat markets as the stakes.

* * *

FOR four years The Financial Post has protested against the methods utilized to "sell" Canada's wheat carryover. We have pointed to the mistakes of Mr. McFarland's agency; to the refusal to co-operate with those who could sell Canadian wheat; to the pursuit of phantom book profits; to the secrecy of the operations; to the uncontrolled building up of the Canadian surplus. We have from time to time made estimates as to the cost of the government wheat, the profit or loss on the operations, and the total carryover under Mr. McFarland's control. The evidence of last week provided surprising confirmation of the accuracy of the information The Post has published during these four years. When the actual record is spread out for all to see the story of our political misadventures in wheat is an appalling one.

Each fall the government agency has had to buy wheat in order to provide a cushion for the crop coming rapidly into the market. Thus it has been natural that in the fall of each year the government's holdings should increase. But each spring prices have been strong; strong enough to justify the conclusion that substantial quantities of our own surplus grain could have been sold in the world's markets. But Mr. McFarland has sold only moderate amounts of his acquisitions on these rises. His procedure apparently has been to wait until the market was about near the peak and then to start to sell. The result of this has been that each time the market, vulnerable from speculative buying unprotected by a short interest, has broken badly and he has had to buy in about as much as he sold or even more.

* * *

CLEARLY there is point to the question asked by a member of the committee last week: if Canada, in the process of marketing 75 million bushels of wheat, has merely succeeded in running up its holdings to 225 million bushels, how long will it take to market the 225 million bushels?

The answer is that if the operations are conducted as they have been conducted it will take forever and a day, but that if we pursue a policy of selling our wheat whenever it can be sold, if we seek to build and hold markets; if we aim at disposing of our crop instead of striving for phantom paper profits, it will not take long to start us off with a clean sheet again.

The revised wheat bill provides a formula both for protecting the farmer and for selling our wheat and it makes possible a complete reversal of our short-sighted policy.

U. S. PORTS SEEK TO GAIN BENEFITS IN CANADA PACT

Shipping Interests Protest Penalty on Imports Via American Ports

Volume of trade flowing through Canadian ports may be drastically reduced if the United States reciprocity negotiators have their way.

The latest trump card being used by the Washington authorities in current reciprocity discussions with Canadian officials is a request for complete removal of tariff discrimination against imports into the Dominion via American ports.

To get the benefit of the preferential rates Empire goods must enter Canada through Canadian ports. If imported through New York, the shipment would be assessed the highest Canadian tariff rate. Goods entering under the Franco-Canadian treaty, and like favored nation arrangements, also get a preference when coming in through Canadian ports. The Washington negotiators consider this discrimination severe.

During the past few years a number of protests have appeared in the American press. Shipping interests have been particularly loud in their condemnation of the increasing volume of business which has been handled by Canada's Atlantic ports compared with the former business which went through New York, Boston and Portland.

Removal of this discrimination will, it is said, constitute one of the three or four important concessions which the United States is demanding in the prospective trade treaty with Canada.

The United States, it is expected, will also ask that all goods imported from the United States be assessed at Canada's "intermediate" tariff rates. At the present time, as Canada has no trade treaty with Washington, goods come in under the highest rates of the Dominion's three-deck tariff.

Bond Financing Shows Increase

New government and municipal financing in June totalled $55.7 millions, according to figures compiled by Wood, Gundy & Co. This compares with $7.1 millions in June last year. The entire amount this year was floated in the domestic market.

Among the larger issues during the month were $20 millions by the Province of Ontario, $12.9 millions by the city of Montreal, and $2.3 millions by the city of Toronto. In the total is also included $15.0 millions of Dominion of Canada three-month treasury bills.

Metal Prices

New York—July 2—
Copper: Electrolytic spot and future, 8c.
Silver: 69½.
London—July 2—
(Long Ton)—
Copper: Electrolytic spot, £32 15s.; future, £33 15s.; Standard spot, £30 5s.; future, £30 12s. 6d.
Tin: Spot, £229 17s. 6d.; future, £215 7s. 6d.
Lead: Spot, £13 17s. 6d.; future, £13 17s. 6d.
Zinc: Spot, £13 17s. 6d.; future, £14.
Silver: 31d. per ounce.
Canada—July 2—
Gold: $35.03.
Gold: 141s. 7d.

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Public Utility Earnings

East Kootenay Power		
May:	1935	1934
	$	$
Gross earnings	35,685	34,900
Oper. expenses	10,979	11,419
Net earnings	24,886	23,481
Two Mos. End. May 31:		
Gross earnings	72,820	69,443
Oper. expenses	23,035	22,940
Net earnings	49,785	46,508
Jamaica Public Service		
May—	1935	1934
	$	$
Gross earnings	68,898	65,617
Net earnings	27,363	25,018
Surplus after charges .	18,736	15,968
12 Months Ended May 31		
	1935	1934
	$	$
Gross earnings	841,355	805,981
Net earnings	342,749	324,743
Surplus after charges .	237,364	211,545

CANDN. WINERIES FACES DIFFICULT TAX CONDITIONS

Difficult and expensive operating conditions were reported at the annual meeting of shareholders of Canadian Wineries for the year ended April 30, 1935. Fred W. Lee, president, stated that both federal and provincial legal and taxation problems involved a substantial amount of extraordinary expenses.

Wineries had expected a much larger outlet for their products as a result of the new Ontario legislation permitting sale in hotels and clubs. Large expenditures were made with the idea of taking advantage of the new situation but the results were disappointing. The only new outlets for native wines were hotel dining rooms and this was a doubtful advantage when the industry was not allowed the opportunity of the regular advertising media to obtain this business and educate the public as to the merits of the native product.

Separates Retail Selling

The most helpful change in government policy, says Mr. Lee, was the provision for the separation of retail selling from manufacturing. Subject to permission from the Ontario Liquor board native wine stores may be located with reference to selling advantages only and "manufacturing can be confined to the vineyard country where it belongs." One such store has been placed in Toronto and another in St. Thomas, Ont. Much of the advantage had been later taken away by the Ontario Government which placed a tax of five per cent on sales in such stores.

Changes in the balance sheet resulted from the United States activities of the subsidiary Chateau Gai, Ltd., in the new plant at Lewiston, N.Y. Wine is now being bottled and sold. The plant was placed on an operating basis as of May 1, 1935. Because of growing taxation in Canada this was the only phase of the company's business subject to ordinary merchandising methods.

Lewiston Plant Begins

The Lewiston plant activities account for the bank loan of $100,000 as compared with a cash surplus a year earlier. It was also the reason for the issue of 5,000 shares during the year to net the company $30,000. Of the amounts thus spent $45,000 was of a current nature for the Lewiston plant and the working capital was only reduced from $584,000 to $500,000 by these developments. Bank loans would probably be greatly reduced during 1935.

The most uncertain factor in prospects is the price which will have to be paid for grapes, states Mr. Lee. Government authority has intervened in the past and set the price substantially above the market price.

Decrease in price of spirituous liquors from May 7, 1935, is not believed to have made any real difference in consumption of native wines. The beer parlors have had a greater effect.

Detailed earning figures will be found on page 15.

GYPSUM SUBMITS REVALUING PLAN TO SHAREHOLDERS

Involves Writing Off Deficit — Reduction in Capital

A by-law to be submitted at the special general meeting of shareholders of Gypsum, Lime and Alabastine, Canada, Ltd., on July 10, will, if adopted, revalue the company's capital assets and write off the deficit of $504,887. Balance sheet value of the 450,876 shares of common stock, including 10,749 shares held in trust for the company, will be written down to allow reduction of asset values.

Hon. Henry Cockshutt, president, states that some of the plants and properties have been dismantled and others closed down permanently. As plants now in operation provide adequate capacity for potential future business, it is believed that these assets should be written down to present day values.

The number of outstanding common shares would not be changed by the proposed plan, nor would their actual value be affected.

If the proposal is approved, a lesser appropriation will be required for depreciation and depletion.

The accounts which may be involved in the revaluation were shown in the company's balance sheet as at Nov. 30, 1934, as follows:

Asset Items:	$
Sundry assets	44,013
Amounts owed from subsidiaries:	
N. S. Coal & Gypsum Co.	61,437
Wellington Lime Co.	27,734
Dom. Stucco Co., Ltd.	25,112
Gyproc Products, Ltd.	93,584
Bond discount	187,908
Patents	63,799
Org. exp. Standard Lime Co. ...	7,489
Fixed assets:	
Land, bldgs., equipment	5,823,403
Mines, quarries	3,124,779
Goodwill	775,942
Liabilities Concerned:	
Capital stock	5,956,231
Deficit	504,887

OUST MAPLE LEAF MILLING FROM CAN. BREAD CONTROL

(Continued from page 1)

thereafter, retaining par value at $100;

Non-cumulative 7 per cent B preferred stock is to become cumulative, to reduce the par value from $100 to $50, to pay 5 per cent whenever earned and declared from July 1, 1935, and to receive an additional 80 cents a share for every 10 cents a share paid on the common stock except the first payment of 10 cents a share.

The common stock is unchanged except by the increased rights of participation in earnings given to B stock and will be paid initially 10 cents a share after A and B initial dividends are paid.

Want Maple Leaf Ousted

The first dividend on B preferred will be at the rate of $2.50 annually when earned and declared. Then it will go to $3.30 a share when as and if common dividends declared are at the rate of 20 cents a share annually, $4.10 a share when common dividends are 30 cents and so up by 80 cent leaps every time the common dividend is boosted 10 cents a share.

At the same time B preferred shareholders and minority common shareholders are anxious to take the control from Maple Leaf Milling Co. as they allege that Maple Leaf Milling Co. can profit substantially under present conditions, whether it does or not, by sale of flour to Canada Bread Co. The present president and the management state that flour purchases are free and untrammeled and that they have even bought British flour when it was offered on a better basis. The objectors claim that that has not always been the case in the past and they want the relationship changed, especially as the statements of the president indicate that the common stock did not represent any real investment by the company at any time whatever the public may have paid for its minority holdings.

In case of liquidation A preferred would get $100 and would get one-third of remaining assets, if any, after B preferred is accorded $100 a share. B preferred also gets one-third of remaining assets and common will get the remaining one-third of assets left after first distribution to A and B preferred stocks. Chances of common eventually may be improved by power given the Board to set aside $50,000 a year to 1941 and $100,000 a year after that for retirement of preferred B stock.

The question of control was the main matter of discussions at the special meeting.

T. Stewart Lyon objected that the present capitalization and voting rights allowed 200,000 shares of no par value common stock to elect four shareholders against two directors by A and one director by B preferred. Yet those 200,000 shares were only shown on the balance sheet of the company at a value of $25,000, representing Maple Leaf Milling interest in the company. He understood that Maple Leaf Milling Co. owned a block of nearly 6,000 shares of B preferred and the holding of that block would probably enable it to secure passing of the plan because the committee had less than that in proxies. He did not know how many proxies it might have by the time of the annual meeting. One instance of how Maple Leaf Milling Co. control worked against the interests of the company and the other shareholders was when some years ago common dividends were declared and paid, though it meant taking $300,000 out of the company which had not been earned.

C. H. Carlisle, president, suggested that the reorganization plan should first be passed and the difficult matter of voting control taken up later. He believed that legislation would be needed to effect a change. There might have been something to complain of in the past but no ill could be said of present directors of Maple Leaf Milling Co. and not a single request had come to Canada Bread board so far as flour purchase policy was concerned or with regard to any matter of running the company. He could inform the shareholders present that he had never managed a company where he allowed a group to work on the board that was not working in the best interests of the company.

A. Monty Macrae asked why the voting provisions could not be changed when all other provisions in the company's structure were being changed. He hoped the directors would carefully consider what Mr. Lyon had said.

Bennett Resigns

E. J. Bennett, a member of the B committee, withdrew from membership in the committee, giving his reasons in the following statement:

"Those B preference shareholders who have followed this matter at all carefully, especially those who noticed the reference to the Canada Bread compromise in The Financial Post of the 15th of this month will readily appreciate what difficulties the B preferred shareholders' committee have been up against.

"I have resigned from the committee not because of any disagreement with the members of that committee but solely that I did not wish to hamper their course of action by referring as a member of that committee to a matter about which I feel very strongly.

"I am reading this statement so that there may be no question as to what I have said.

"I consider that your committee have done everything that has been humanly possible under the circumstances and the greatest credit is due to Mr. Macrae, Mr. Holmested and Colonel Kingsmill who have given up a very considerable amount of valuable time with, I am afraid, rather meagre results.

Preferred Should Vote

"The president of the Canada Bread or the directors or some other power behind them have refused the extremely modest request of the committee that each preferred share should have a vote. It is because of such an attitude, which is frequently adopted by those in control of Canadian financial institutions, that there is so much unrest and discontent among investors in Canada and one of the reasons why Canada has such a poor reputation in financial circles in Great Britain. I am not without hope that before long there will be an amendment to both the Dominion and provincial Companies' Acts which will make it a condition precedent to the granting of a company's charter that all classes of shares have voting privileges and I trust that if and when such an amendment is passed it will be made retroactive.

"Even at this eleventh hour I would suggest to the directors of the Canada Bread, or to anyone who may be dictating their policy, that they give this matter reconsideration and grant to the preferred shareholders one vote for each share. In all justice the B preferred shareholders should receive 8 votes for every share in order to place them on a par with the common shares which originally numbered 25,000. I ask the directors to give this matter their consideration not only for the sake of the preferred shareholders but in the interests of the country as a whole which cannot fully recover while there is such an undercurrent of discontent and suspicion among the average investors and in the name of ordinary—very ordinary—financial decency."

The position of the common stock will be found to have improved only if earnings of the company prove sufficient to pay dividends from July 1 on both A and B preferred. Otherwise the cumulative feature of the new stocks would tend to overcome the advantage of the rates being reduced from $7 a share to $5 on A and from $7 to $2.50 a share on B preferred. If A dividend can be maintained, however, the company would have three years leeway before cumulative dividends on B stock would put more ahead of common than a single year's dividend under present conditions. If times for the company became more prosperous it would have to pay 70 cents a share on common before B preferred could get back to the old $7 rate. The present B preferred has the right to $7 when earned and has the right to share with common after the latter has paid 67½ cents a share. The "cumulative" feature had to be given preferred stock to induce holders to reduce rate of dividends, and in the case of B to cut par value in half. It is argued, however, that conditions might possibly arise in the future whereby voting control would be needed to make the "cumulative" feature fully effective.

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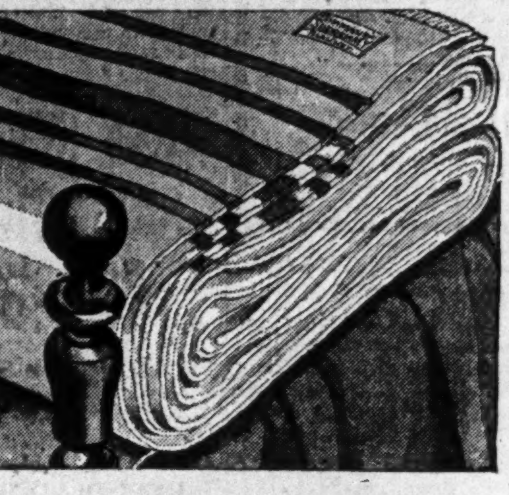

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WAGES JUMP MAY HOBBLE CONSTRUCTION

Codes Boost Scale in Toronto Area Building Trades

SIGNING NOW

Wages for construction workers in Ontario, and particularly in the Toronto zone, are going up.

The cause is the Industrial Standards Act under which voluntary agreements are signed by employers and employees. These have been arranged under government supervision, respecting wages and working conditions. Already codes have been, or are being signed, for plumbers, plasterers, electrical workers, bricklayers, carpenters, lathers and unskilled labor. While these codes usually represent but a slight increase in union wages, as against actual wages being paid the increase is much more substantial.

Higher costs will have to be paid largely by the consumer. This may result in slowing down of the building revival which, in recent months, has become more noticeable.

Plumbers Score First

The plumbers got away to a head start and had their code signed a few weeks ago. Steamfitters and plumbers, after July 1, will receive 90 cents an hour, which is an increase of five cents an hour over the old union scale.

Against this slight advance lathing piecework pay has been boosted from a maximum of three cents to a standardized seven cents per square yard. On a piecework basis the labor-welfare department states that many workers have been receiving only from one and one-half to three cents per square yard.

Overtime Pay

On the hourly basis, metal lathers will now get 90 cents an hour, and wood lathers 70 cents. This is considerably higher than a depression low of 35 cents an hour which has been paid to non-union workers recently. A 40-hour week also comes into effect, with time and a half for overtime and double pay for holidays.

Plasterers Looking Up

Plasterers have signed a code at 90 cents an hour. This is a big jump from the 40 cent rate which many non-union as well as union plasterers have been receiving during recent years. By another agreement, made effective June 28, plasterers' laborers in the Toronto zone will get 60 cents an hour and will operate on a 48-hour week. Common laborers under the new regulations will get 50 cents an hour.

More Agreements Coming

Schedules for electrical workers, bricklayers, and carpenters have been agreed upon and now are waiting the order-in-council to become effective around July 15. The following is a comparative table showing an estimate of the sort of wages paid under "free" market conditions and those under the new code arrangement:

"Free" and Code Building Wages
(Ontario Rates Only)

	Approximate depression low cts. per hr.*	Indus. std. act rate cts. per hr.†
Plasterers	40	.90
Elec. workers	25	1.00
Bricklayers	35-40	90
Carpenters	30-40	80
Lathers‡	30-35	90-70
Common laborers	..	50

* Non-union scale.
† Union rate.
‡ 90 cents for metal and 70 for wood lathing.

Wages Are Higher

The Government, in support of the new schedules, says that wages generally are no higher. This statement conflicts with the recently announced rates as well as disregarding other important factors. Formerly non-union workers were willing to work for considerably less than the union scale, as also did a number of union members. Freedom of the individual worker is now lost under the new arrangement and union rates, or higher, will cover all workers.

Workers who do not conform to the established codes will be penalized. So far, codes have only been signed for the Toronto and immediate zone, but hopes are held that they will gradually cover Ontario.

$300 Million Backlog

Since 1932, Canada has built up a residential construction backlog estimated alone at $300 millions. The recent Clark building plan intends, with Federal funds, to bridge the gap in this building field.

But with material prices high, and wages going higher, especially in Ontario, the benefits of any building plan may be largely offset. One government's move, apparently, may be counteracted by that of another.

Trust of Canada Policy Depends on Canada's Crop

The question of a further call on shareholders of the Trust and Loan Co. of Canada depends on the current year's crop in Canada, wheat prices and the course of exchange, stated F. W. Stobart, vice-president, at the annual meeting in London, Eng. Shares are of £2 face value of which one pound has now been called.

Provided that conditions are more favorable in Canada during the current year, it was felt that income might be improved sufficiently to offset the necessity of a further call. A call of five shillings per share was made to meet debentures falling due from Nov. 1, 1934. If paid in full this call would provide £450,000, sufficient to meet all debentures until the end of October 1935.

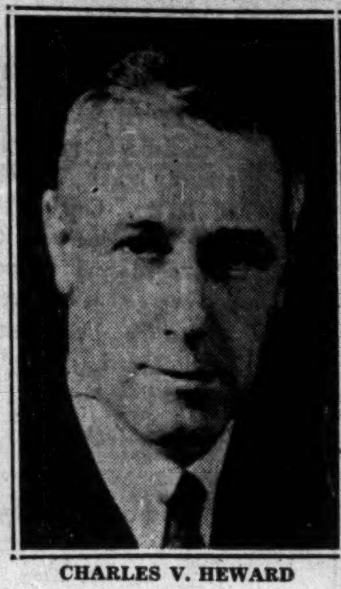
Obituary

James A. Ellis, prominent Canadian architect, died at Parry Sound, Ontario, on June 28 in his 78th year. He was a native of Meaford, Ont., and had lived in Toronto for the last 50 years.

Harry E. Smith, comptroller of the Montreal Tramways Co., died in Montreal on June 30 in his 56th year.

Atwell Fleming, president of the company which bore his name and widely known in the Canadian printing business, died in Toronto on June 30 at the age of 79.

Forms New Firm



CHARLES V. HEWARD

Formerly a director of Drury & Co, Montreal investment firm, who has formed Charles V. Heward & Co. to act as confidential and financial agents.

BREWING CORP. EARNINGS GAIN IN MAY, JUNE

But Cold Weather Disappointing — Denies Buying Hotels

Brewing Corp. of Canada sales in the third quarter have not been as high in May and June as the board and management expected, states E. P. Taylor, president. Sales have been higher than in the same months of 1934, which was before the Ontario law change, but the board and management had been hoping to earn $250,000 in the third quarter. If the rate of earnings shown in May and June were maintained in July the profit for the third quarter would be only $100,000.

The reason given for this is that until the fourth week of June the weather was almost consistently cool. The few hot days caused a decided jump in output and the final result depends greatly on what kind of weather occurs in July.

The encouraging report given as to the third quarter in the last issue of The Financial Post should have carried the qualifying words, "having regard to weather conditions."

Report in Montreal that Ontario brewing companies have been buying up hotels is denied by executives of principal companies. This is against the law. Brewing Corp. got some hotels along with its purchase of O'Keefe Breweries, but it sold them to Mohawk Investments. This was no doubt the incident which caused the report that Mohawk Investments was buying hotels for Brewing Corp. Officials state that there is not the slightest corporate connection between the two companies.

NFLD. BUDGET SHOWS SURPLUS WITH GRANT AID

Revenues Increased During Year — Estimates for 1936 Higher

From Our Own Correspondent

ST. JOHN'S Nfld.—The Newfoundland commission of government with the help of a $1,704,212 grant-in-aid from the British treasury, announces a surplus of $406,794 for the fiscal year ending June 31, 1935. Excluding this grant there was a deficit of $1,297,418.

Hon. E. N. R. Trentham, finance minister, warned the over-optimistic, however, that it would be a number of years before the government could announce a surplus without the British grant.

Estimated revenue for the fiscal year ending June 31, 1936, is set at $9,958,376, with a British grant of $1,799,109, and an exchequer balance of $139,213, which will balance the estimated expenditure of $11,896,698.

Revenue Increase Causes

Chief factors responsible for the increased revenue during the past year have been the low stocks at the beginning of the year, the greater stability in financial matters, and the improvement in preventive services. Income tax revenue was higher while succession duties brought in three times as much as in the previous year.

Expenditures Will Be Heavier

Expenditures for the coming year will be generally higher. Poor relief remains at $1 million, while public works construction will take up $500,000. The educational appropriation has been increased to nearly $1 million, with most of the additional expenditure going on higher salaries for teachers. Educational reforms are being made but compulsory attendance is considered impracticable until after the census has been taken next month.

Colonial Development Fund

A total of $743,546 is to be borrowed from the colonial development fund in the coming year. Approximately $260,000 will be used for constructing fishing schooners and boats. Another $150,000 will be employed for land settlement work like that at "Markland." Highway construction will come in for $150,000 and about $165,466 for the building of winter shipping facilities for Grand Falls newsprint at St. John's.

Railway Outlook

Estimated earnings for the Newfoundland railway for 1935-36 are placed at $2,732,150, with an estimated expenditure of $2,769,629. But as this latter sum includes $35,110, which is the first repayment on a loan from the colonial development fund, the finance minister believes that the railway will practically make both ends meet.

London Calling

Settlement Policy Wanted

* * *

Agricultural Quotas to Stay

* * *

Russian Timber Again

* * *

British Grocers Coming

* * *

From Our Own Correspondent

LONDON.—From the Canadian point of view, the retention of J. H. Thomas in the new British Cabinet as Dominion Secretary is particularly interesting in view of the very emphatic prophecy that the post would go elsewhere. It would seem, however, that the delicacy of the meat negotiations with Australia and the need of continuity of policy in Ireland have combined to keep him in office. His union labor connections were also a factor in the connection. It is, however, no secret that Mr. Amery was strongly tipped in Dominion circles.

* * *

A New Migration Policy

The transfer of Malcolm Macdonald to the Colonial Office is also interesting as indicating a possible new line of action in respect of migration.

The British Government, it is thought, has no definite policy for migration for the Dominions. The first move toward a revival must come from the Dominions themselves and, so far, nothing has been done.

Australia, indeed, has consistently linked the migration issue with that of increased preference for Australian goods in Britain.

Until the need for settlers becomes so imperative that it stands independently of immediate fiscal considerations there is little hope of migration on a large scale.

With the colonies, however, it is different. Mr. Macdonald should know more about the migration problem than any other member of the Cabinet, having acted as chairman of a departmental committee on the subject quite recently. Over and over again he and the Prime Minister of Southern Rhodesia, have stressed the enormous potentialities of the colonies and I understand that consideration is to be given to the inauguration of a movement for systematic settlement in those areas where climatic conditions are not too harsh.

* * *

Agricultural Quotas to Stay

British agricultural quotas have come to stay. The principle will not be abandoned, although in one or two specific cases—bacon in particular—there may be superadded the expedient of a tariff.

British opinion, however, seems as a whole to regard the quota as a more equitable system of control and, this being so, I can see little prospect of an expansion of imperial preferences.

A notable exception may be made in the case of meat. Negotiations are proceeding this week for the readjustment of duties, the basis having been put forward by Dominion governments themselves. This envisages a Dominion chilled beef duty of ¼d. a lb. and a duty of 1¼d. on meat from non-Empire countries.

Should the final agreement bear any relationship to these suggestions particular interest will attach to implied curtailment of the Anglo-Argentine Agreement under which Argentine had a free market here until November of next year.

* * *

Russia's Timber Fears

It comes from the highest authority that Russian timber exporters are viewing with growing concern the state of affairs in the timber market in this country. A complete re-investigation of the whole field has been ordered.

It is probable that next year, if there is an agreement with Timber Distributors Ltd., it will involve the bulk purchase of not more than 200,000 standards. (A standard equals 2,000 square feet).

The British importers and Russian sellers have been hoist with their own petard and they found that in negotiating the purchase of 400.000 this season they have gradually overestimated the capacity of the British market. There are therefore huge stocks of Russian timber still unsold and the predilection in favor of the Canadian article has been a further factor in the depression of the market for the Russian product.

* * *

Grocers' Tour

Plans are far advanced here for a tour of Canada this summer by British grocers. Last year a similar venture was undertaken under the title of "The Maple Leaf Tour" and was very successful. The idea was to give our retail distributors an insight into the methods and conditions of food production in the Dominion. This year the party will leave on August 9 and will return on September 7.

* * *

In order that lads who might not otherwise be able to go might have an opportunity of taking part, the High Commissioner for Canada is offering a series of "travel scholarships," which will be open to young men between the ages of eighteen and twenty-five who are actively employed in the wholesale or retail grocery or provision trades in this country. Last year eight young men drawn from all parts of the British Isles accompanied "The Maple Leaf Tour of Canada" around the food producing industries of Eastern and Central Canada. It is likely that the same number of "scholarships" will be available this year.

* * *

Lord Tweedsmuir

Lord Tweedsmuir, the new Canadian Governor General, will leave this country at the beginning of October, purposely missing Lord Bessborough by a matter of a few days. It is an unwritten law in diplomatic circles that a new governor general shall not meet his predecessor on Dominion soil.

"Fetish of Volume" ~

L. J. Belnap Criticizes Newsprint Leaders Who Profit at Expense of Industry — Price Outlook Beclouded

From Our Own Correspondent

MONTREAL. — In line with the opinion expressed by other newsprint executives, L. J. Belnap, president, Consolidated Paper Corp., told shareholders at the annual meeting of the company that no increase in the price of newsprint was in sight for this year, adding that he was only hopeful for 1936.

Severe criticism was directed by the head of Consolidated Paper at those leaders in the industry who made a fetish of volume, in an attempt to make profits as individual units at the expense of the industry as a whole. This he termed highly illusionary, stressing that only by co-operation among the producers could a sound situation be developed by the industry. Discounts, rebates and other price concessions to secure tonnage were evils which attended the undisciplined scramble for volume.

Output Higher This Year

In commenting on the results obtained by the corporation in the first quarter of 1935, Belnap stated that the rate of production shows an increase of 5 per cent over the corresponding quarter of last year, while shipments recorded an increase of 9 per cent. He mentioned steadily rising costs, pointing out that among other things in 1934 taxes paid by the company were equal to 28 per cent of the amount paid in wages by the company.

Commenting on the part played by the industry in the economic life of the country, Belnap indicated that during 1934 the company accounted for 17,000 carloads of freight at transportation costs of $2.3 millions. He pointed out that the 1934 newsprint production of the Dominion had a value of $102 millions while transportation costs amounted to $17 millions.

$12 Millions Business

Gross dollar volume of business handled by the company in the last fiscal year amounted to $12 millions. Another point of interest brought up by the president was the fact that 75 per cent of the company's shareholders are Canadian; that a majority are resident in Quebec and that there are five times as many security-holders as employees.

Queried by a shareholder as to the possibilities of the company collecting its claim from Price Bros., which in the last report was shown at $1,268,245, Belnap indicated that it was largely dependent on the question of the reorganization of that company. He added that at the present time there was no definite proposal before the various Price Bros. interest, but that an informal plan had recently been advanced.

U. S. Investment Bankers Nominate Orrin G. Wood

Orrin G. Wood, of Estabrook & Co., Boston, has been nominated by the board of governors of the Investment Bankers Association of America as president of the association for the year 1935-36. Since official selections of the board have always been approved by the convention, nomination is considered equivalent to election .

Other nominations for the association's governing board and executive staff are as follows: Executive vice-pres., Alden H. Little, Chicago; vice-presidents: Earle Bailie, J. & W. Seligman & Co., New York; Albert P. Everts, Paine, Webber & Co., Boston; George P. Hardgrove, Ferris & Hardgrove, Seattle; Daniel W. Myers, Hayden Miller & Co., Cleveland; treasurer, D. T. Richardson, Kelley, Richardson & Co., Inc., Chicago; secretary, C. Longford Felske, Chicago.

Sugar Beets

Canadian sugar refining industry in 1934 bought 412,672 tons of sugar beets at a factory cost value of $6.30 per ton.

SUMMER SALE DECIDING FACTOR CAN. BUD DIVIDEND

Action Deferred Although Sales Gain Over 1934 Reported

Although earnings for the first five months of the current year to the end of May were officially reported as greater than for the same period of 1934, directors of Canada Bud Breweries have decided to defer July dividend payment. As explanation Duncan McLaren, president of the company, stated that past experience indicated that half of the sales were made in June, July, August and September. Due to this seasonal position, directors deemed it advisable to conserve further distribution of profits until later in the year when the extent of these sales was known.

This company in common with all other Ontario brewing concerns has had no actual experience with a full year under the present system of beer sales through hotels. The law permitting such sale only came into effect late in July, 1934. Hence, there has been no opportunity of making an estimate of actual summer earnings based on previous experience.

It was this difficulty in making an accurate estimate of earnings which caused the delay in dividend announcements late last summer The Financial Post was told at that time.

Bottled and Barrelled

Another contributing factor to the delay or caution on the part of the company's directors in declaring dividends earlier was a possible new orientation in proportion of bottled beer to that sold in barrels. Under the old system of sales, most of the beer was sold through the liquor stores in bottles and Canada Bud specialized in business of this kind. With the hotels again entering the field, draught beer sales stepped up sharply with the result that today sales of bottled beer and sales of draught are about evenly split.

A third factor in the delay in declaring dividends a year ago and probably also important in the present situation was the fear of a price war among the brewing companies. While the Ontario Liquor Control board is undoubtedly opposed to any such war and would step in it is understood the instant actual price cutting started, there might be indirect ways of underselling. It is general knowledge that hotels might be offered special delivery services, unofficial loans, new equipment and other inducements.

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One-Sided Trade

Belgian Chamber of Commerce in Canada Sees Urgent Need of Reciprocal Pact

From Our Own Correspondent

MONTREAL. — Canadian wheat for Belgian goods is a reciprocal form of trade favored by the Belgian Chamber of Commerce in Canada, but the strict application of the authority given to the Department of National Revenue in placing an arbitrary valuation for custom purposes on certain imported products, has created such a balance of trade in favor of Canada that the Belgian Government has become greatly concerned.

The situation in Belgo-Canadian trade closely parallels that between Japan and Canada. The government of the former country has been outspoken about the way in which Japanese goods have been excluded from the Canadian market and threatens to penalize Canadian imports.

Trade relations between Canada and Belgium have not reached the pass that they have between the Dominion and Japan. A situation is possibly developing, however, that might cause the Belgian Government to retaliate against Canadian imports, particularly wheat, unless there is a greater degree of give and take between the two countries.

Sets Forth Attitude

The Belgian Chamber of Commerce in Canada has given the matter close study and in an official memorandum sets forth the attitude of the Belgian exporter, which, presumably, is also one shared by his government.

This memorandum follows:

Everyone in Canada is aware of the present situation of the wheat problem. The carryover, it is estimated, will exceed 200 million bushels, and the prospects of the next harvest indicate that it will certainly reach 400 million bushels. The total available for distribution would therefore be about 600 million bushels. What is perhaps not understood as fully is the economic situation of the countries to which this wheat could be sold, and the importance of Belgium, both as a buyer of wheat and as a general outlet for Canadian products.

The Belgian Chamber of Commerce in Canada draws attention to this problem, convinced that an impartial view of the whole question will serve the mutual interests of the two countries and will contribute to the development of commercial relations between Canada and Belgium.

Sixth Best Customer

According to Canadian statistics covering the twelve months ending April, 1935, Belgium purchased Canadian products to the value of $11.8 million and is the sixth best customer of the Dominion, outranking the Netherlands and France. If one considers the British Empire as a whole, Belgium comes fourth.

Three-fourths of the sales from Canada to Belgium consist of cereals. As a buyer of wheat, Belgium immediately follows Great Britain and the United States. As Canadian wheat exports to the United States are due to accidental and temporary circumstances, one is led to the conclusion that Belgium is the second-best regular customer of Canada in respect to wheat, preceding France and the Netherlands.

Canadian statistics covering the fiscal year 1934-1935 (April 1, 1934, to March 31, 1935) show that:

	Bushels	Value
Belgium imported	11,059,121	$8,775,789
France imported	6,754,310	5,449,167
Netherlands imported	4,767,708	3,934,355

Favor Canadian Wheat

Transshipment at Antwerp to other European countries does, of course, absorb a part of these cereal imports, but on the other hand, there enters into Belgium, Canadian wheat shipped through American ports and those of countries bordering Belgium, and which is therefore credited to the said countries in the statistics. The Belgian milling industry, however, utilizes from 12.6 million to 14 million bushels of Canadian wheat out of a total amount of 36 million bushels milled to meet the requirements of the population. The Belgian market is therefore not only an assured market, but one which offers potential possibilities of expansion, as the foregoing figures indicate.

Rely on Imports

Belgium is unable to be self-sustaining owing to its small area and to the density of its population. Moreover, farmers have found it more advantageous to abandon the growing of cereals in favor of the intensive development of more profitable farm products such as poultry raising, dairying, market gardening, and the cultivation of industrial crops. As a result, no matter what the circumstances may be, Belgium will continue to buy its wheat abroad, all the more so since Belgians are great bread-eaters and show a marked preference for this staple food. Despite what might have been stated on several occasions, there is no difficulty in importing wheat in Belgium. Although licenses are necessary, these are granted to anyone and for unlimited quantities, and importers may effect their purchases in the country of their choice.

Consequently, while Canada finds herself confronted with a serious problem regarding her sale of wheat, Belgium provides an interesting and important market for the Dominion, and one which can be even more developed in the future.

An Unfavorable Balance

There is, however, another aspect to the wheat problem when considered from the point of view of Belgium; there the problem is dominated by the unfavorable balance of trade with Canada and by the high price of wheat.

According to Canadian statistics, the balance of trade* was favorable to Canada as follows:

$ 8 millions in 1927
16 millions in 1928
10 millions in 1929
6 millions in 1930
$ 9 millions in 1931
10 millions in 1932
9 millions in 1933

Belgian imports into Canada, which were $13 millions in 1929, have been gradually declining and reached $3 millions in 1933.

Canadian Wheat a Luxury

As to the question of the high price of wheat, it goes without saying that any limitation of the quantity of wheat imported into Belgium would mean a very considerable saving to the country. If it were decided to decrease the contents of Canadian wheat in the Belgian bread by 50 per cent, the cost of bread to the consumer would be considerably reduced, thereby effecting a total saving to Belgium of 46 million francs. Canadian grain merchants are, however bound to contend that any decrease in the Canadian wheat contents would mean a serious deterioration in the quality of the bread, since Canadian wheat is undoubtedly the best compared with the soft type of wheat obtainable in Belgium or elsewhere. There is no refuting this contention. However, the problem must be considered from another angle. Is it possible for a nation like Belgium, whose export markets have been so seriously contracted, to afford to buy wheat at the price at which Canadian wheat is sold? The present situation in Belgium is such that to continue buying such expensive wheat, however good its quality may be, is a luxury which, unfortunately, like any other, cannot be afforded in time of depression. This would appear to banish all further argument on the question of quality.

Government is Concerned

The Belgian Government has been greatly concerned by the continued unfavorable trade balance with Canada. Belgian business men are convinced that one of the principal causes of this unfavorable trade balance is the strict application of Article 36, paragraph 2 of the Customs Act, which grants the Department of National Revenue authority to put an arbitrary valuation for the calculation of customs duties on certain products coming from abroad. The difficulties which the exporters meet with in their sales to Canada have resulted in numerous complaints to the Belgian Government. The latter could, of course, apply a similar policy to certain Canadian products and Canadian wheat would, naturally, be the first to be affected, since it represents three fourths of the value of Canadian exports to Belgium.

To sum up the situation, Canada has an overabundance of wheat, whereas Belgium has a surplus of certain manufactured products to export, and it seems apparent that there must be some way of reaching a reciprocal trade agreement which would assure the sale of Canadian wheat in Belgium, and increase the sale in Canada of certain Belgian products.

Public Utility Earnings

Barcelona Traction

May	1935 Pesetas	1934 Pesetas	Increase Pesetas
Gross earn..	9,589,614	9,204,643	384,971
Oper. exp. .	3,646,414	3,382,243	264,171
Net earn. ..	5,943,200	5,822,400	120,800
5 Mos. end. May 31:			
Gross earn..	52,066,586	50,452,368	1,614,218
Oper. exp...	19,102,440	17,665,664	1,436,776
Net earn....	32,964,146	32,786,704	177,442

INVESTMENT SUGGESTIONS

	RATE %	MATURITY	PRICE	APPROX. YIELD %
Dominion of Canada............	2½	1943	99.00	2.64
Dominion of Canada............	3	1950/55	98.15	3.12
*Dominion of Canada............	3½	1944/49	102.00	3.25
*Dominion of Canada............	4½	1946/56	108.35	3.61
Can. Nat. Rlys. (Gtd. by D. of C.)..	3	1944	99.75	3.03
Can. Nat. Rlys. (Gtd. by D. of C.)..	3	1945/50	98.50	3.12
Grand Trunk Rly. (Gtd. by D. of C.)	3	*1962	99.50	3.04
Grand Trunk Rly. (Gtd. by D. of C.)	4	1962	107.00	3.58
City of Montreal..................	4	1945	98.78	4.15
City of Sherbrooke...............	3½	1952	96.27	3.80
Canada Northern Power Corp....	5	1953	102.00	4.83
Canadian Pacific Railway........	4½	1944	98.00	4.76
†Northwestern Utilities..........	7-6	1938/49	100.00	6.44
Power Corporation of Canada....	4½	1959	85.25	5.63
Shawinigan Water and Power....	4½	1967	97.75	4.64
International Bronze Powders....	6	Preferred	25.00	6.00
Southern Canada Power Co......	6	"	Market	6.82
Canada Northern Power Corp....	7	"	"	6.93
Power Corporation of Canada....	6	"	"	7.14

Yield calculated to call date—All other yields to maturity.
†Interest at 7% to June 1st, 1938; 6% to maturity.

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WINDSOR HOTEL DEFERS INTEREST ON SENIOR BOND

Directors Delay Action Until Summer Returns Are Known

From Our Own Correspondent

MONTREAL.—Following a meeting of the board of directors of Windsor Hotel, announcement was made that payment of interest due July 1 on the company's 6½ per cent first mortgage bonds, due 1943, will be deferred until results of the summer's business can be better determined.

Consequent upon this action Windsor Hotel is not paying interest on any of its funded debt. Last month the directors announced that the interest on the 6 per cent refunding mortgage bonds, due December 1, 1947, would not be paid.

At the end of 1934 the company had outstanding $2,009,800 of 6½ per cent first mortgage bonds and $1,009,100 of 6 per cent refunding mortgage bonds. The former was first offered to the public in December, 1922, and the latter in November, 1927.

Earning Power Declines

Earnings of Windsor Hotel have been on a steadily declining scale since 1929. In that year all interest requirements were earned 3.17 times before depreciation and 2.38 times after depreciation. Last year interest was earned only 0.53 times before depreciation and 0.01 after depreciation reserves.

The decline in the company's earning power is more clearly shown by examination of net earnings. In 1929 the company reported net income available for depreciation and bond interest of $681,108. This dropped to $83,257 in 1933, while in 1934 there was a slight increase to $101,504. Bond interest requirements amount to over $191,000 annually.

FRASER EXERCISES OPTION TO DEFER INTEREST IN CASH

Restigouche Subsidiary Will Pay Own Interest in Cash

From Our Own Cirrespondent

MONTREAL.—Fraser Companies Ltd. announce the interest will not be paid in cash on July 1 next on the 6 per cent first mortgage bonds of 1950. A similar action was taken last year.

Under the terms of the reorganization plan effected in 1932, deferred 1935 interest will be payable in five equal installments, starting July 1, 1940. Bondholders have the option, however, exerciseable up to September 1 next, of accepting common shares in lieu of interest for the current year, the proportion of five common shares for interest on each $1,000 of bonds.

In 1934, 10,570 common shares were issued to bondholders, who exercised their option to take the shares instead of postponing interest.

Restigouche Pays Cash

In respect to Fraser Companies' subsidiary, Restigouche Co., announcement is made that the semi-annual interest will be paid in cash on August 1 next on the 6 per cent sinking fund first mortgage bonds. Interest on these bonds was also paid in cash last year.

B. C. Honey Record

British Columbia's 1934 honey crop of 1.5 million pounds made an all-time production record. Apiarists received an average of 10½ cents per pound.

Railway Earnings

Canadian National Railways

	1935 $	1934 $	Decrease $
May:			
Oper. rev. ..	14,047,172	14,767,854	720,682
Oper. exp. .	13,390,853	12,948,818	*442,034
Net rev. ..	656,319	1,819,036	1,162,716
5 Months:			
Oper. rev.	66,429,716	65,581,300	*848,416
Oper. exp. .	63,756,319	62,191,052	*1,565,266
Net rev. ...	2,673,397	3,390,248	716,850

* Increase.

Canadian Pacific Railway

	1935 $	1934 $	Decrease $
May:			
Gross earn..	9,913,938	10,454,019	540,081
Oper. exp. .	8,770,024	8,652,091	*117,932
Net earn. ..	1,143,913	1,801,927	658,014
5 Months:			
Gross earn. .	46,338,752	47,201,416	862,663
Oper. exp. .	41,680,546	40,902,583	*777,963
Net earn. .	4,658,206	6,298,832	1,640,626

* Increase.

Utilities and Transportation

Montreal Power Calls $11.5 Millions of Bonds

Second Move Made in Plan to Take Advantage of Prevailing Low Interest Rates

From Our Own Correspondent

MONTREAL.—As a further step in its plan to take advantage of the prevailing low interest rates, Montreal Light, Heat and Power Consold. has called all of its 40-year sinking fund 5 per cent first refunding collateral trust gold bonds, series B, for redemption on September 1 at par with a premium of 5 per cent on principal amount and accrued interest.

For the convenience of holders, it has been arranged that any of the bonds called for redemption will be redeemed by the company at any time prior to the first of September upon presentation at the company's office in Montreal, premium and accrued interest to date of presentation. The bonds are payable three ways, namely, Canadian, American and English funds.

Retire Over $11 Millions

The last financial statement of the company, dated December 31, 1934, shows outstanding $11,564,500 of these bonds, an amount of $130,000 having been retired since the issue was brought out in 1930. At that time a syndicate offered $5 millions of the bonds. In 1932 and 1933 $6,659,500 additional were issued in exchange for a like amount of Montreal Island Power Co. first mortgage 30-year 5½ per cent bonds.

Provision Already Made

It will be recalled that at the last annual meeting of shareholders, authority was given for the creation of a bond issue of $150 millions, to be issued at the discretion of the directors to retire outstanding bonds. It was pointed out that at that time, while the new mortgage will be for 150 millions to take care of the future needs of the company, only a comparatively small issue to refund present outstanding bonds is contemplated.

A short while ago Montreal Power initiated its refunding programme by calling for redemption all of the outstanding 5 per cent first and refunding gold bonds of the Montreal Public Service Corp., a subsidiary of Quebec and New England Hydro-Electric Corp., which in turn is controlled by Montreal Power. The amount involved is practically $3 millions and the redemption date July 1, 1935.

So far there has been no indication by the company as to the form which the new financing will take.

July Dividend Payments Increased Over 1934

Chief Increases Shown in Declarations by Mining Companies — Several Firms Pass or Defer July Payments — Bond Interest Increased

Total dividends declared and bond interest payable in Canada show increases over the corresponding month of 1934. In the case of dividends the increase amounts to $2.2 millions, while bond interest payments are up $5.5 millions.

Mining stocks are responsible for considerable of the increases in dividends. Consolidated smelters disbursements total $814,565 this year against $651,475 in 1934. Dome mines are this July paying an extra of $2 per share instead of $1.50, which increases the total disbursement by $476,667. Pioneer has also increased its rate from 15 cents quarterly to 20 cents per share. Other companies contributing to the increase in dividends include Canada Dry Ginger Ale, Canada Packers, Fanny Farmer and Bruck Silk.

Chief factors in the increase in bond interest payments came through payments of $787,735 and $5,828,230 on Canadian Northern and Canadian Pacific Railway bonds not included in the 1934 list.

Total payments of bond interest and dividends and the various rates follow:

SUMMARY OF PAYMENTS

	1935 $	1934 $
Dividends	18,679,493	16,422,866
Bond interest	46,884,075	41,315,392
Total	65,563,568	57,738,258

DIVIDEND PAYMENTS

Company	Rate $	Date	Amount $
Agnew Surpass pf....	1.75q	2	17,035
Alta. Wood Pres. pf...	1.75q	2	5,230
Amer. Cyanamid A....	.10	1	6,594
Do., B	.10	1	252,037
Assoc. Brew. pref.....	1.75q	1	17,769
Avalon Tele., pfd.....	.87½s	2	14,000
Bk. of Canada	1.26s	2	126,000
Bk. of N. Scotia	3q	2	360,000
Beatty Bros. 2nd pfd...	3.50s	2	23,786
Bell Telephone	1.50q	15	1,261,226
Brant. Cord. 1st pf.....	.50q	15	28,890
Brazilian Tr. pfd.......	1.50q	2	5,901
Brewing Corp. pfd...	.37½q	15	60,888
Brit. Amer. Oil.........	.20q	2	524,528
Brit. Mtg. & Tr..........	4s	2	40,000
B. C. Power "A"......	.37q	15	370,000
Bruck S. Mills	.30q	15	37,500
B.C. Elec. & Gas, p....	1.50q	2	75,000
Brockville Tr.	.62½q	2	6,250
Building Prod. "A"....	.25q	2	29,086
Do., "B"	.25q	2	1,125
Burt, F. N.	.50q	2	53,822
Do., pref.	1.75q	2	1,030
Calgary Power c.......	1.50q	2	52,500
Canada Dry	.10q	15	51,253
Can. Nor. Power.......	.30q	25	120,000
Do., pref...........	1.75q	15	96,250
Can. Packers..........	.75	2	150,000
Do., pref...........	1.75q	2	105,585
Can. Perm. Mtge.......	2q	2	140,000
Canada Trust	5s	2	50,000
Can. Canners pfd.....	1.50q	2	58,272
Do., conv. pref......	.07½q	2	27,279
Can. Cottons	1q	2	27,155
Do., pref............	1.50q	2	54,922
Can. Fairbanks, p.....	1.50q	15	18,090
Can. For. Invest.......	.40q	1	29,366
Do., pref.............	2q	1	27,000
Can. Gen. Electric.....	.75q	1	141,633
Do., pref............	.87½q	1	149,760
Can. Gen. Invest.......	.10q	15	60,374
Can. Indust. A & B.....	1q	31	674,243
Do., extra	.75	31	505,681
Do., pref.	1.75q	15	81,375
Can. Light & Pr........	.50s	15	16,624
Canadian Oil, pf.........	2q	1	40,000
Can. Westinghouse....	.50q	1	273,000
Can. Wire Box A.......	†.25	2	16,983
Celanese of Amer., p...	1.75q	1	200,931
Central C. Loan.........	2q	2	50,000
Cons. Bakeries.........	.20	1	63,688
Cons. Smelters.........	1.25	15	814,565
Consumers' Gas	2.50q	2	351,380
Crown Life	2½%	2	5,740
Crown Trust	1.75q	2	17,500
Dome Mines	.50q	20	476,667
Do., extra	2	20	1,906,668
Dominion Bank	2.50q	2	175,000
Dominion Fire	3s	2	9,000
Dom. Glass	1.25q	2	53,125
Do., pref............	1.75q	2	45,500
Dom. Textile	1.25q	1	337,500
Do., pref............	1.75q	15	33,960
Eastern Steel pfd......	1.75q	1	6,799
East. Theatres pfd.....	3.50s	31	17,500
Edm. C. Dairy pfd....	1.62½q	2	12,660
Excelsior Life	1.20s	2	6,000
Ensign Ins.............	1.25s	2	3,125
Fanny Farmer	.12½q	1	48,814
Freiman, pref.	1.50q	2	13,510
General Trust, pf.	1.50q	2	16,500
Goderich Elev..........	.25	2	21,001
Goodyear Tire, c.	1.25q	1	160,787
Gt. Lakes Power pf...	1.75q	15	13,125
Greening Wire, pf. ...	1.75q	1	11,375
Grey & Bruce Tr.....	2⅝s	2	10,894
Ham. Cottons pfd.......	.50	1	10,000
Highland Dairy pf.....	1.75q	2	3,263
Hinde & Dauch........	.12½	2	37,491
Hollinger Gold	.05	15	246,000
Do., extra	.05	15	246,000
Huron & Erie Mtg....	1.50q	2	75,000
Imperial Life	3.75q	2	37,500
Industrial Mtge.........	1.25s	2	15,875
Intercol. Coal	1.50s	2	15,000
Do., pref.	4s	2	8,092
Inter. Power, pfd..........	1	15	80,000
Inv. Foundation pf....	.38q	15	12,531
Do., on arrears........	.12	15	3,957
Jam. Pub. Ser..........	.25q	2	11,250
Do., pref.	1.75q	2	18,777
Lambton Loan	1s	2	15,795
Landed Banking	1.25q	2	12,500
McColl-Fron. pfd.....	1.50q	15	114,529
Manufact. Life	5s	2	75,000
Macassa Mines	.05	2	131,403
Midland Loan	.40s	2	14,400
Maritime Tel.	.15q	1	53,936
Do., pref.	.17½q	1	26,250
Mitchell, J. & S. pf...	1.75q	2	5,317
Monarch Knit., pf......	1.75	2	13,125
Montreal C. & D. Bk....	3q	2	60,000
Montreal L. & Pr......	.38q	31	1,705,820
Montreal Trams.......	2.25q	15	157,500
Montreal Tele..........	▲.80q	15	35,000
Moore Corp.	*.50	2	138,120
Do., pref. A	1.75q	2	57,537
Do., pref. B	1.75q	2	29,359
Nat. Breweries	.40q	2	288,548
Do., pref.	.44q	2	48,840
Nat. Grocers, pfd.....	1.75q	1	51,681
National Trust	2q	2	60,000
Niagara Wire	1	2	40,000
Do., pref.	.75q	2	15,543
N.S. Light & Pr. ord...	.75q	2	25,891
Ogilvie Flour, c..........	2q	2	150,000
Ont. Loan & Deb.....	1.50q	2	60,000
Ottawa L. H.	1.50q	2	52,500
Do., pref.	1.62½q	2	24,375
Ottawa Traction	.50	2	28,038
Page Hersey	.75q	1	130,707
Perfection Pete. pf....	.37½q	2	3,483
Pioneer Gold	.20q	2	350,350
Porto Rico Pr. pfd...	1.75q	2	17,500
Power Corp. pfd.....	1.50q	15	75,000
Do., 2nd pfd.........	.75q	15	75,000
Premier Gold	.03q	15	150,000
Provincial Paper pfd..	1.75q	2	61,250
Real Est. Loan	1s	2	5,000
Reno Gold	.03q	2	54,789
Do., extra	.02	2	36,526
Riverside Silk	.25	2	7,500
Do., arrears	.25	2	7,500
Sec. Std. Ro'lties, p......	.01	1	25,035
Securities Hold. pf.....	*.50	2	9,203
Sher.-Williams pfd....	†1.75	2	60,550
So. Amer. Gold..........	.10	25	176,000
South. Can. Pr. pf....	1.50q	15	106,333
Supersilk Hosiery pfd..	1.75s	2	8,541
Supertest Pet. c. & ord..	.50s	2	55,000
Do., pref. A.........	3.50s	2	10,073
Do., pref. B..........	.75s	2	6,000
Stand. Fuel	.50	1	25,000
Do., pref.	1.62½q	1	22,416
Tamblyn's pref.	1.75q	2	8,345
Teck Hughes	.10q	2	480,714
Thayers, pfd.	1.75s	2	16,712
Tip Top Tailors.........	.25	2	30,000
Do., pref.	1.75q	2	23,346
Toronto Elevator pf...	1.75q	15	26,250
Tor. Gen. Trusts......	1.50q	2	45,000
Toronto Mortgage....	1.50q	2	29,595
Trusts & Guar........	1.50s	2	38,223
Tuckett Tob. pfd....	1.75q	15	35,000
Un. Gold Equit........	.02½	15	2,847
Unit. Securities	.50q	15	25,630
West. Assur. pref......	1.20s	2	18,000
West. Grocers	.50	15	8,471
Do., pref.	1.75q	15	20,899
Weston, Geo., c.........	.25q	2	46,981
W. Koot. Pr., pf....	1.75q	2	8,750
Whittall Can. pfd.....	1.62½q	2	30,875
W. Hargreaves	.10q	1	550,000
Do., extra	.05	1	275,000
Total			18,679,493

▲ Payments made after deduction of income tax, net quarterly payment .70.
* Interim. †On arrears.
q—Quarterly. s—Semi-annually.

BOND INTEREST DUE IN JULY

Company:	Rate	Date	Due	Amount $
Acadia Sugar..	*7	1	1946	20,384
Do.	6	1	1946	59,232
Aldred Invest. A..	4½	2	1968	40,522
Avalon Tele., A....	5½	1	1948	19,950
Avon River Pr., A.	5½	1	1956	17,847
Do., B	5½	1	1957	5,318
Do., C	5½	1	1958	3,450
Ames Holden Tire..	7	1	1943	5,047
Burns A•	5	1	1958	118,261
Beauhar. Pr., A...	5½	1	1973	1,050,661
Can. Canners.......	6	2	1950	68,205
Can. Cottons*.......	5	2	1940	49,927
Can. Int. Paper.....	6	1	1949	712,500
Can. Light & Pr...	5	1	1949	73,102
Can. Nat. Rly., Gold	5	1	1969	1,500,000
Do.	4½	1	1957	1,462,500
Can. Nor. Alta.....	3½	20	1960	55,122
Can. Nor. Ont.....	3½	20	1961	599,022
Can. Nor. 1st mtge.	3½	20	1958	138,188
Do., Wpg. Term..	4	1	1939	60,000
Can. Nor. S.F. deb.	6½	1	1946	787,735
Can. Pac. Rly......	4½	1	1960	562,000
Do., Eq. Trust...	5	1	1944	611,075
Do., coll. trust...	4	2	1949	240,000
Do., cons. deb. stk.	4	1	perp.	5,828,230
Cedars Rapids......	5	1	1953	343,110
Cities Heating......	6	1	1948	4,530
City Gas & Elec...	6½	2	1951	29,250
Dom. Gas & Elec..	6½	1	1945	227,500
Dom. Rubber.......	5	1	1947	100,000
Dom. Tar & Chem. A & B	6	2	1949	149,250
Dom. Square†......	6	2	1948	140,700
Eastern Car.........	6	1	1952	18,507
Inter. City Bak., A	5½	1	1948	40,740

Abitibi Power & Paper Company, Limited
TORONTO, ONT.
Owning and operating mills at
Beaupré, Que.
Sturgeon Falls, Ont.
Espanola, Ont.
Pine Falls, Man.
Sault Ste. Marie, Ont.
Iroquois Falls, Ont.
Smooth Rock Falls, Ont.
Fort William, Ont.
Daily Capacity 2,200 Tons Newsprint
Groundwood Pulp News Sulphite Pulp
High Grade Bleached Sulphite Pulp

CITY GAS REPORTS FURTHER PROGRESS

Browne Tells Shareholders Financing Arranged by Bond Sale

From Our Own Correspondent

MONTREAL.—Further progress is being made by the different divisions of the City Gas and Electric Corp., according to a statement made at the annual shareholders' meeting by the president, Col. P. L. Browne. At present the gas division at Three Rivers has about 623 customers and it is expected that there will be a substantial increase during the current year.

Since the close of the year the company sold a block of first mortgage bonds, proceeds from which will enable the company to complete its distribution system in Three Rivers. This financing will also provide funds to retire underlying securities and mortgages

Shareholders passed a resolution changing the end of the company's fiscal year from December 31 to March 31, and the annual meeting will be held during June. Directors were re-elected without change.

Power Corp. Group Steps Up Production

From Our Own Correspondent

MONTREAL.—Controlled affiliated companies of Power Corp. of Canada report the power output in May of 159.2 million k.w.h., an increase of over 9 million k.w.h. as compared with the corresponding month 1934. The individual returns for the eight companies show increases for Canada Northern, East Kootenay, B.C. Power, Winnipeg Electric and Manitoba Power.

Comparative figures for May, 1935, and 1934 for the operating companies follow:

	May 1935	May 1934
Southern Canada ...	19,999,550	20,124,290
Canada Northern	47,984,350	44,712,565
East Kootenay	6,826,860	4,725,138
B. C. Power	36,542,290	35,917,193
Northern B. C.	874,500	919,460
Winnipeg Electric ..	19,041,700	17,903,000
Manitoba Power	27,838,000	25,699,000
Northwestern Power.	95,200	98,100
	159,182,450	150,098,744

Montreal Island Power Loses Appeal on Claims

From Our Own Correspondent

MONTREAL.—Superior Court of Montreal has confirmed awards by the Public Service Commission to property owners whose holdings were flooded by the Montreal Island Power Co. Most of the flood damages occurred at Laval des Rapides.

In all there were 23 claims and the aggregate amount awarded by the Commission totalled $65,161.

Northwestern Utilities Five Months Earnings Up

The following tentative earnings figures of Northwestern Utilities Limited for the first five months of 1935, as compared with the same period in 1934, have been supplied by the company:

5 Mos. ended May 31:	1935 $	1934 $	Increase $
Gross earn....	561,127	459,043	102,084
Net earn......	185,522	116,714	68,808

Record Halifax Tonnage

For the first five months of the year a total of 1.1 million tons of cargo was handled at Halifax, this being the first time that the total for that period ever passed the one million ton mark. In the corresponding months of 1934 the total was 986,837 tons and in 1933, 641,511 tons.

July Dividend Payments

Company:	Rate	Date	Due	Amount
Inter. Power deb...	6	1	1955	60,000
Jam. Pub. Ser. C...	4½	15	1965	45,990
Maritime Tele.......	6	1	1941	45,000
Do., refund. A.....	5	1	1956	37,500
Metropolitan Bldg..	7	15	1944	28,063
Do., series B.......	7	15	1941	13,335
Montreal Apts.......	5½	1	1948	101,640
Montreal Trams......	5	1	1941	533,775
Morrison Brass, A..	7½	1	1947	3,768
Mtl. L. H. Pr. debs.	3	1	1939	396,955
Moodie, J. R., A....	6	1	1948	18,690
Nfld. L. & Pr., A...	6½	1	1949	42,233
Do., mtge. debs..	7	1	1949	16,415
Do., 1st mtge., B.	5½	1	1971	22,000
North. Ont. Pr.......	6	1	1953	105,000
Nanaimo-Dun. Util.	5½	2	1964	12,375
North. Am. Elev. A	6½	1	1950	10,611
Parisian Ldry.......	6½	1	1947	8,944
Ont. Steel Prod.....	6	1	1943	4,974
Ott. Traction, A....	5½	1	1955	69,365
Reliance Grain, A...	6	2	1948	51,627
Royal Ex. Bldg......	6	2	1948	12,000
Do.	7	2	1938	3,500
Ruddy, E. L.........	6½	1	1948	20,829
Quebec Pr. B.........	5	2	1972	10,875
Sherbrooke St. Rly..	5	1	1940	13,050
Saguenay Elec.......	5½	1	1953	34,595
Shaw. Falls Term....	5	1	1957	2,665
Simpsons Ltd., A....	6	2	1949	266,259
Steel of Canada.....	6	1	1940	107,169
Sterling Coal........	6	1	1940	20,025
St. Law. Flour.......	6	1	1941	1,860
200 St. Clair.........	6	1	1945	5,320
Un. Gas & Fuel.....	5½	1	1948	46,708
Un. Grain, A........	6	1	1948	75,675
Vancouver Pr., deb.	4½	2	perp.	154,593
Viau Biscuit.........	6	1	1946	10,562
West. Can. Hydro El.	6	1	1950	30,000
Do., conv. debs..	6½	1	1945	8,125
Western Grain........	6	2	1948	82,170
Western Power......	5	1	1949	107,017
Winnipeg El. Rly.‡..	5	2	1935	75,725
Corporation bonds				17,923,139
Municipal bonds				10,201,342
Provincial bonds				7,111,486
Dominion				11,648,108
Total				46,884,075

* Called for redemption July 2, 1935.
† Interest due Oct. 1, 1933.
‡ Holders will receive interest from Jan. to July 1.
• 3½% to be paid on half the principal amount held, no payment on income bonds.

Diversified Securities

Experienced investors endeavour to diversify security holdings to obtain the highest degree of safety. Our July Bond List contains a wide selection of Canadian Government, Municipal and Corporation Bonds suitable for every type of investor, and yielding from 3% to 6%. Copy will be gladly forwarded upon request.

Invest funds promptly to avoid loss of interest.

Wood, Gundy & Company
Limited
Toronto
Montreal
Winnipeg
London, Eng.
36 King Street West
Toronto
TELEPHONE: ELGIN 4321
Ottawa
Hamilton
Vancouver
London, Ont.

Plan of Consolidation Winnipeg Electric Co. and Allied Interests

Bondholders Will Meet During Month of August to Pass Upon Plan Already Approved by Protective Committees and Directors of Companies

The General Plan of Consolidation and Readjustment of Winnipeg Electric Company, Manitoba Power Company, Limited, Northwestern Power Company, Limited, The Winnipeg, Selkirk and Lake Winnipeg Railway Company and the Suburban Rapid Transit Company has been officially announced, and copies of the plan and explanatory material regarding it have been mailed to all bondholders of record.

The plan has been jointly approved by the Bondholders Protective Committees and the Directors of the Companies concerned. The various Bondholders meetings will take place in Toronto and Montreal during the month of August.

Winnipeg Electric Company bondholders will receive in exchange for each $1,000 6% Refunding Mortgage Bond, due 1954,

$1,000 par value of the New General Mortgage Bonds, Series "A,"
9 shares of Class "A" Common Stock, and
Contingent Certificates having a nominal or face value of $70.

For each $1,000 of 5% Refunding Mortgage Debenture Stock (Sterling) due 1954, holders will receive

$1,000 par value New General Mortgage Bonds, Series "A";
7 shares of Class "A" Common Stock; and
Contingent Certificates having a nominal or face value of $70.

In each case they will also receive a cash payment representing interest on their present securities from October 1, 1934, to January 2, 1935.

Manitoba Power Company bondholders will receive in exchange for each $1,000 5½% First Mortgage Bond (Series "A," due 1951, Series "B," due 1952).

$1,000 par value New General Mortgage Series "A" Bonds,
9 shares of Class "A" Common Stock, and
Contingent Certificates having a nominal or face value of $70.

Northwestern Power Company bondholders will receive in exchange for each $1,000 6% First Mortgage Bond, due 1960,

One $400 par value Series "A," and
One $600 par value Series "B" New General Mortgage Bonds;
8 shares of Class "A" Common Stock; and
Contingent Certificates having a nominal or face value of $28.

Suburban Rapid Transit Company bondholders will receive in exchange for each $1,000 5% First Mortgage Bond, due 1938,

$1,000 par value Series "A" New General Mortgage Bond;
8 shares of Class "A" Common Stock; and
Contingent Certificates having a nominal or face value of $70.

They will also receive a cash payment representing interest on their present bonds from August 1, 1934, to January 2, 1935.

Winnipeg, Selkirk & Lake Winnipeg Railway Company bondholders will receive in exchange for each $1,000 present principal amount,

$1,000 par value New General Mortgage Series "A" Bonds;
8 shares of Common Stock; and
Contingent Certificates having a nominal or face value of $70.

They will also receive a cash payment representing interest on their present bonds from January 2, 1933, to January 2, 1935.

Bonds to be Issued

$29,275,500 of New General Mortgage Bonds, Series "A," will be issued, maturing January, 1965, and $6,000,000 of New General Mortgage Bonds, Series "B," maturing January, 1965. Both Series rank **pari-passu.**

The Series "A" bonds will bear interest at the fixed rate of 4% per annum for seven years and thereafter at the fixed rate of 5% per annum.

Series "B" Bonds will bear interest upon an **"income basis"** up to 4% per annum for the first seven years, up to 5% per annum for the next five years, and thereafter at the fixed rate of 5%.

$2,917,000 First Mortgage Bonds of Winnipeg Electric which matured January 1st, 1935, will be refunded from the proceeds of a new issue of $3,500,000 First Mortgage Bonds, due 1960, which issue will also provide funds to defray the expenses incidental to the plan and other corporate expenses.

An additional $4,000,000 (making $7,500,000 in all) of these First Mortgage Bonds may be issued, if, as and when required, to provide for 75% of future capital expenditures (subject to a net earnings provision). These will be the only bonds ranking in priority to the issue of New General Mortgage Bonds.

Consolidation of Assets

Winnipeg Electric takes over all assets and liabilities of Manitoba Power and Northwestern Power Company. It will acquire all outstanding bonds of Winnipeg, Selkirk & Lake Winnipeg Railway and Suburban Rapid Transit Company. It already holds all outstanding shares of these companies.

All inter-company liabilities as between Winnipeg Electric and Manitoba Power Company and Northwestern Power Company and all bond guarantees will disappear, and shares held by Winnipeg Electric in Manitoba Power and Northwestern Power will be cancelled.

Preferred and Common

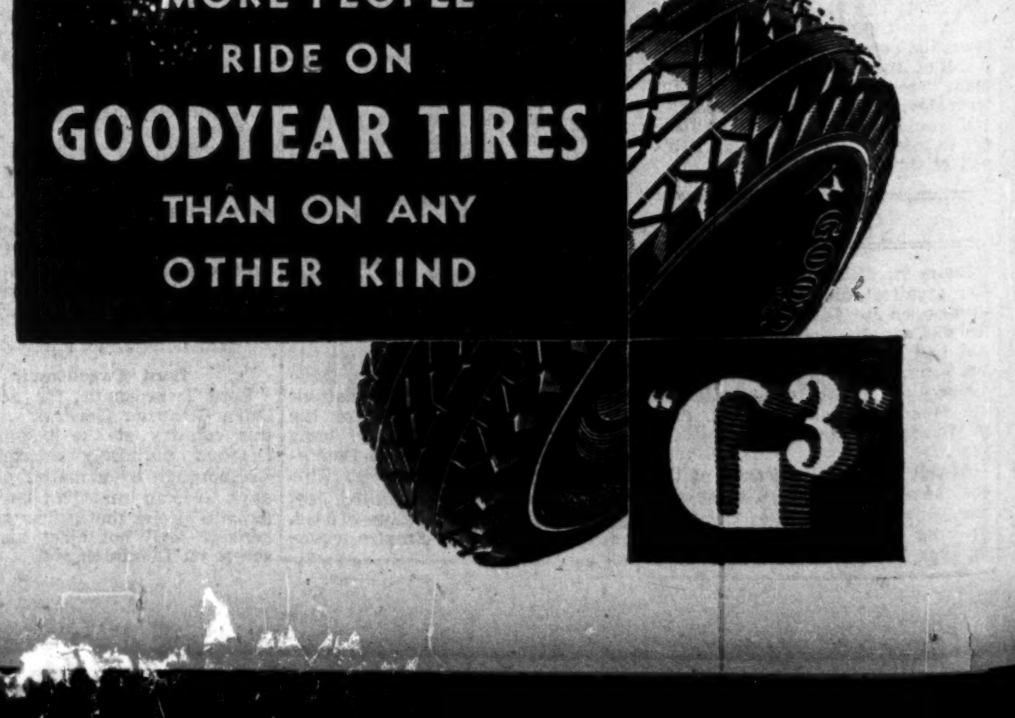
The outstanding issue of Winnipeg Electric 7% Cumulative Preferred Shares, $100 par value, will be retained by present holders, and in addition each preferred shareholder will receive one Class "B" Common Share in the consolidated company for every two preferred shares now held.

The preferred shares will be modified, however, so that in future dividends will be non-cumulative and will be at the rate of 4% per annum from January 2, 1935, to January 2, 1942, and thereafter at the rate of 5% per annum.

The 244,772 no par value common shares of Winnipeg Electric Company will be exchanged for 244,772 New Class "B" common shares.

The 8,057 no par value common shares of Manitoba Power Company held by the public will be exchanged for 8,057 Class "B" common shares of the consolidated company.

The 28,759 no par value common shares of Northwestern Power Company held by the public will be exchanged for 5,752 Class "B" common shares of the consolidated company.



News of Investment Markets

BONDS STRONG LOANS SCANTY OVER HOLIDAY

First Six Months Sees Consolidation of Bond Prices

Bonds firm.

No major financing.

These two brief statements tell the story of Canadian bond markets in the holiday week ended July 2; excepting only the progress of Vancouver's home-brew loan campaign reported on page 1.

The first six months of 1935 have recorded little progress as far as bond prices are concerned. Prices, however, have been consolidated close to the best levels of the past two years. Stability of the U. S. dollar at about $1 and of sterling above $4.90 have helped maintain Canadian bond prices.

Western Issues

Western provincial and corporation bonds inclined to strength in the past week. In the first six months of this year, however, Alberta and B. C. issues have been soft. Saskatchewan and Manitoba bonds have been firm. Since the beginning of the year, social and political disturbances have had adverse effects on Alberta and B. C. issues. The results:

Western Provincial Bonds

	July 2	Jan. 2	Change
Alberta 6/47	103	108	—5
Br. Col. 6/47	103¾	105¼	—1½
Manitoba 6/47	108½	108¼	+ ¼
Saskatch. 6/52	106	105¾	+ ¼

The gilt-edged market ended the six months without a major decline over the period, although intermittent slumps occurred. This is in contrast with last year, however, when a steady rise was being experienced.

In 1935, gilt-edged issues so far have enjoyed the highest prices early in January, whereas in 1934 the lowest levels were in January and the highest late in December. Comparisons of The Financial Post's averages for gilt-edged bonds follow:

Average Yield and Price for Seven High Grade Canadian Bonds

1935	Yield %	Price $	1934	Yield %	Price $
July 2	3.536	112.72	July 3	3.956	108.84
June 28	3.540	112.73	June 29	3.956	108.84
June 27	3.531	112.81	June 28	3.961	108.76
June 26	3.537	112.77	June 27	3.961	108.76
June 25	3.543	112.73	June 25	3.949	108.86
June 24	3.554	112.62	June 23	3.951	108.82
Jan. 2	3.381	114.85	Jan. 2	4.517	102.54
Year's	3.367	114.97	Year's	3.373	115.00
Range	3.608	112.10	Range	4.517	102.54

Dividends Declared

	This payment	Date payable	Date of record
Beatty Bros. 1st. p.	$1.50	Aug. 1	July 15
Brant. Cord. 1st. p.	50c	July 15	June 20
Brew. Corp. pfd. .	37½c	July 15	June 29
Beld. Cort. c. ...	$1	Aug. 1	July 15
Bell Telephone ..	$1.50	July 15	June 22
B. C. Power A	37c	July 15	June 29
Bruck S. Mills	30c	July 15	June 15
Biltmore Hats, c. .	50c	July 15	July 3
Can. Bronze	15c	Aug. 1	July 19
Do., pref.	$1.75	Aug. 1	July 19
Can. L. & Pr.	50c	July 15	June 30
Can. Nor. Power ..	30c	July 25	June 29
Do., pref.	$1.75	July 15	June 29
Can. Indust. A & B	$1	July 31	June 29
Do., extra ...	75c	July 31	June 29
Do., pref.	$1.75	July 15	June 29
Canada Dry	10c	July 15	July 1
Can. Gen. Invest..	10c	July 15	June 29
Cons. Smelters....	$1.25	July 15	June 28
Can. South. Rly. c.	$1.50	Aug. 1	June 28
Can. Converts	50c	Aug. 15	July 31
Can. Fairbanks, p.	$1.50	July 15	June 29
Dome Mines	50c	July 20	June 29
Do., extra	$2	July 20	June 29
Dom. Textile pref.	$1.75	July 15	June 29
East. Theatres, pf.	$3.50	July 31	June 29
Gt. Lakes Pow., pf.	$1.75	July 15	June 29
Hollinger Gold ...	5c	July 15	June 28
Do., extra	5c	July 15	June 28
Humberstone Shoe	50c	Aug. 1	July 8
Imperial Bank ...	$2.50	Aug. 1	June 29
Inter. Utilities pf..	87½c	Aug. 1	July 20
Do., $3.50 pf. .	43¾c	Aug. 1	July 20
Inter. Power. pfd.	$1	July 15	June 29
Int. Nickel, pfd. ..	$1.75	Aug. 1	July 2
Invest. Found., pf.	38c	July 15	June 30
Do., on arrears .	12c	July 15	June 30
McColl Fron. pfd. .	$1.50	July 15	June 29
Mtl. Trams.	$2.25	July 15	July 5
Montreal L. & Pr. ..	38c	July 31	June 30
Montreal Tele. ...	80c	July 15	June 29
Nat. Biscuit, c.....	40c	Oct. 15	Sept. 13
Nat. Biscuit pf....	$1.75	Aug. 31	Aug. 15
Power Corp., pfd.	$1.50	July 15	June 29
Do., 2nd pfd. ...	75c	July 15	June 29
Premier Gold	3c	July 15	June 14
Penmans	75c	Aug. 15	Aug. 5
Do., pref.	$1.50	Aug. 1	July 22
So. Can. Power pf.	$1.50	July 15	June 20
So. Can. Pwr. c.....	20c	Aug. 15	July 31
Steel of Can.	43¾c	Aug. 1	July 6
Do., pref.	43¾c	Aug. 1	July 6
San Antonio Gold..	7c	Aug. 1	July 15
So. Amer. Gold ..	10c	July 25	July 11
Tuckett Tob. pf. ..	$1.75	July 15	June 29
Toronto Elev., pf. .	$1.75	July 15	July 2
United Secs.	50c	July 15	June 27
Un. Gold Equit. ...	2½c	July 15	July 5
West. Grocers ..	50c	July 15	June 20
Do., pref.	$1.75	July 15	June 20

Dividends Increased—

Bruck Silk Mills, July 15, 25c to 30c quarterly.

Bond Tenders

8 p.m., July 8, Joliette, P.Q., $48,000, serial bonds, dated May 1, 1935, redeemable in 20 years for equipment for public works, interest as follows: A, 3½ per cent; B, 4 per cent; C, 4½ per cent. Camille Bonin, sec.-treas.

To the holders of

Realty Bonds

on

Montreal Properties

(particularly issues by W. A. MacKenzie & Co.)

It will pay you to communicate with us

COLONIAL CAPITAL CORPORATION

261 St. James Street,
MONTREAL

Notice to Debenture Holders

of

WINDSOR, WALKERVILLE, EAST WINDSOR, SANDWICH, ESSEX BORDER UTILITIES COMMISSION, WALKERVILLE-EAST WINDSOR WATER COMMISSION and ROMAN CATHOLIC SEPARATE SCHOOLS

The Windsor Finance Commission announces the appointment of

GUARANTY TRUST COMPANY OF CANADA

Windsor • Ontario

as its fiscal agent for the refunding of the debts of the amalgamated municipalities of East Windsor (formerly Ford City), Walkerville, Windsor and Sandwich.

Debenture holders are requested to advise the fiscal agent immediately as to their holdings, giving bylaw number, serial number, by whom issued, principal amount and due date of all debentures held by them.

WINDSOR FINANCE COMMISSION

HARRY J. MERO,
Chairman.

J. CLARK KEITH,
Secretary & Comptroller.

Investment Notes

Starry Investment Orbit

JULY starts Paramount Pictures once more rotating through its appointed orbit in the investment heavens. Its reorganization is complete, it is emerging from bankruptcy and investors will again take notice of earnings from time to time.

* * *

Brazilian Cannot

SHAREHOLDERS of Brazilian Traction Light & Power Co. are drawing a little discouragement these days from the fact that Brazil's favorable trade balance for the first quarter of 1935 was £1.6 millions against £3.8 millions for the same quarter of 1934.

In 1934 her favorable trade balance was £10 millions and it was not enough to permit Brazilian Traction getting cash for dividends. At the present rate the favorable trade balance will be much less for 1935. But Brazil has to provide £1.2 millions more in foreign exchange than the £8 millions provided in 1934 for Brazil's remittance to Britain on account of debt service and payments on the first frozen credit arrangement. So what!

* * *

Like Imperial Tobacco

IMPERIAL Tobacco has a unique record among Canadian stocks. It is selling two points, or about 17½ per cent, above the 1929 high. Osler & Hammond, in a current circular, state that the return of better than four per cent at current market prices is definitely attractive. This conclusion is reached after taking into consideration low yields on comparable securities, the well-secured dividend and future earning prospects.

* * *

Great Lakes Break

AFTER waiting for the better part of two years, bondholders of Great Lakes Paper last week had the pleasure of hearing that reorganization of the company's capital is under way. While it is understood that one American publishing group likes the property, it is by no means certain that competitive bids may not be made by Sept. 10, when all offers to purchase should be in the receiver's hands. The Post understands that a five per cent rate on a substantial portion of the $10,000,000 bond issue is a possible offer. This would be welcome to investors who have gone over four years without a cent from the bonds. Despite recent criticisms of individuality in the vexed newsprint muddle, holders of Great Lakes bonds will be inclined to let the industry whistle if a deal which promises early income is in sight when they meet Sept. 20. A court order has been sanctioned authorizing the meeting Sept. 20, bids to close Sept. 10.

* * *

Deflationary Credit

BANK OF CANADA policy has so far been, if anything deflationary, so far as Canada's internal credit mechanism is concerned. Banks' cash has been allowed to decline. Previously, the Dominion Government had expanded bank cash by over $80 millions in about two years. Perhaps the central bank authorities think the government overdid it. Continuation of the present seemingly laissez-faire deflation policy may tend to raise bond yields and lower prices. The bank, however, need not take long to alter its policy in accordance with conditions.

* * *

Steel of Canada Analyses

A. E. AMES & CO. state that intimate relationship to the basic economic activity in Canada is responsible for Steel of Canada's earnings having followed closely the course of general business. Its strong finances and capable management combined to moderate the effects of depression, it is stated. Johnston and Ward indulge in encomiums in an analysis of the same company. The $11.42½ in dividends which will ultimately fall due to the common is likely to be distributed from time to time as extras, states this firm. If recovery for business and the company continue, it should not be long now.

* * *

Power Available

MACLAREN-QUEBEC POWER CO. is holding 27,000 h.p. called for under its contract with the Ontario Hydro Commission available for that body's disposal. The Hydro hasn't taken delivery. The Commission has as yet no legal right to refuse delivery, since the contract repudiation act hasn't been proclaimed. Maclaren's next move should be due when the first month's bill isn't paid.

* * *

C. George Armstrong, director of Canada Dry Ginger Ale Inc., sold 500 shares in April reducing his holdings to 1,000 shares.

Significant Investors' Index Numbers

1926 = 100

No. of Securities	Iron and steel	Pulp and paper	Milling	Oils	Textiles and clothing	Food and allied products	Beverages	Total industrials	Total utilities	Total co's.
	17	6	4	4	10	18	8	87	20	112
1929-34:*										
High	383.8	118.2	267.4	416.8	110.1	193.8	241.9	311.0	163.6	235.4
Low	36.8	1.4	34.9	78.3	24.0	68.5	27.3	44.0	30.5	38.6
Monthly Figures, 1935:										
January	129.4	14.0	71.5	181.5	75.8	134.2	106.8	129.7	50.4	90.5
February	126.4	13.4	67.4	197.7	75.6	131.3	109.1	128.8	49.4	89.6
March	117.0	11.6	56.0	176.0	74.1	126.5	101.6	125.6	45.1	86.1
April	119.4	11.1	56.9	178.6	73.1	125.1	99.6	130.8	43.8	88.5
May	121.9	10.8	59.9	211.7	70.3	127.8	102.4	144.4	44.4	96.8
Weekly Figures, 1935:										
June 6	117.2	10.6	60.7	225.0	67.8	126.3	99.6	147.1	44.2	98.0
June 13	117.4	10.3	61.6	223.4	69.0	126.9	103.4	147.3	45.1	97.9
June 20	118.1	10.7	59.1	221.4	67.5	126.5	105.4	145.9	45.3	97.2
June 27	121.0	10.6	59.6	210.0	65.8	126.9	104.4	142.6	44.6	95.5

*High and low of years from 1929 to 1934 inclusive are based on weekly figures. Compiled from figures issued by Dominion Bureau of Statistics.

Toronto Stock Exchange Index

	20 Indus.	20 Golds	20 Misc. Mines
July 2	107.09	103.83	89.60
June 28	107.40	103.69	89.34
June 27	106.90	103.93	89.79
June 26	106.92	104.75	90.86
Month ago ...	109.61	108.37	94.55
Year ago	100.99	125.34	93.64
High, 1935 ...	113.99	123.68	103.99
Low, 1935	97.90	103.51	80.83

Montreal Averages

	10 Util.	20 Indus.	30 Comb'd
July 2	59.5	57.8	58.4
June 28	59.5	58.1	58.5
June 27	59.3	58.1	58.5
June 26	59.2	58.7	58.8
Month ago	57.5	58.7	58.3
Year ago	65.1	57.2	59.8
High, 1935	63.4	63.1	63.0
Low, 1935	56.1	56.0	56.3

Hunt's Dividend Will be Deferred Earnings Higher

In a letter to shareholders of the company, H. W. Hunt, president of Hunt's Limited, states that the dividend payment ordinarily due July 1 will be deferred. The action was taken in spite of the fact that business for the past five months has resulted in larger sales and increased profits compared with the corresponding period of last year. To meet increased demand a complete catering department has been established at the head office plant.

Mr. Hunt, in referring to the recent acquisition of the Savarin restaurant, states: "Public acceptance of the change has been most gratifying."

Goodyear Common Holders Asked to Turn in Shares

Change of preferred capitalization having been successfully dealt with, old common shareholders of Goodyear Tire & Rubber Co. are being asked to send in their certificates to be exchanged for new certificates. Two new common shares will be given for each share now held by the holders of a total of 128,630 common shares now outstanding.

The new total of common shares outstanding will be 257,260 no par value shares. Instead of the $7.2 millions of 7 per cent preferred stock previously ahead of common, it will now be preceded by 120,000 5 per cent preferred shares of $50 par value aggregating $6 millions.

GARMENT CENTRE TO CONSIDER PLAN ON SINKING FUND

Bondholders Meet This Month to Vote on Deferred Arrangement

From Our Own Correspondent

MONTREAL.—Holders of the first mortgage and general mortgage bonds of Garment Centre Capitol Inc., owners and operators of the Hermes Bulding in Montreal, will meet on July 17, to consider resolutions relating to the formation of protective committees and deferment of sinking fund operations.

The company is understood to be earning sufficient to care for interest on both the 6½ per cent first mortgage bonds and 7 per cent general mortgage bonds. Income, however, is insufficient to meet sinking fund requirements. The sinking fund in connection with the first mortgage bonds commenced February 1, 1931, with an initial payment of $14,000. It increases to $27,500 in 1942 and should be sufficient to retire 40 per cent of the issue by maturity. The general mortgage bonds, on the other hand, are due serially from 1932 to 1939.

Defer Sinking Fund

A plan has been drawn up and will be considered at the meeting this month, whereby a protective committee will be formed for the holders of the first mortgage and the general mortgage bonds.

It is proposed to increase the board of directors from five to seven, of which three will be appointed by the protective committee. The sinking fund on the first mortgage bonds will be deferred until such time as the directors determine that the company is in a position to comply with the requirements of the amended trust deed.

The general mortgage bonds will be converted from a serial issue to one maturing August 1, 1943. As in the case of the first mortgage bonds, it will be left to the discretion of the directors to set up a sinking fund.

Bond Redemptions

Bond Issues:	Rate	Date	Date	Price
Belding-Cort.	5%	1936	Nov. 1	105
Mond Nickel ...	5½%	1957	Aug. 1	103
Can. Cons. Felt	6%	1940	Oct. 1	105
Tor. Housing A .	5%	1953	Aug. 12	105
Mtl. L. H. Ref. B	5%	1970	Sept. 1	105
L'Hopital Laval ..	5%	Serial	Aug. 1	102
Can. Copper Ref.	6%	1945	Aug. 15	104

For sinking fund §$65,000. ‡$25,000.

Stock Redemptions

	Date	Rate	Stock	Price
Nat. Telephone ...	Aug. 1	7%	pref.	†55

†In U. S. funds.

REORGANIZATION MAY BE NECESSARY FOR BISSELL CO.

H. C. Hatch Outlines Present Position

In presenting the annual report of T. E. Bissell Co. this week, H. C. Hatch, president, stated that unless there is a very substantial improvement in the agricultural industry, increasing sales to somewhere near the 1928 volume, a capital reorganization may be necessary. Operations in the fiscal year ended May 31, 1935, showed a small profit, $151, the first since 1930, as shown on page 15. Dividend prospects, however, are far from bright.

No depreciation was provided in 1931 to 1934 inclusive, and this year only $1,000 was set aside. It is estimated by Mr. Hatch that the normal appropriation should be between $5,000 and $7,000 annually, so that depreciation as carried in the balance sheet is about $29,000 less than it should be. In addition to this amount, there is a deficit of $26,953, which must be provided for before the company can re-enter the dividend-paying class. Preferred dividends are in arrears since April, 1931, the accumulation amounting to $29.75 a share, or $60,036.

Sales in the 1935 fiscal year were up 41 per cent over the previous year, most of the improvement being found in Ontario. Officials of the company are hopeful that with present crop prospects and a maintenance of or increase in farm commodity prices, substantially better financial results will be experienced.

Inventory Position

There was a reduction in inventories in 1935 from $86,793 to $73,441, the major portion of which is raw materials, materials in process of manufacture and finished parts of products for sale in Western Canada. According to Mr. Hatch, while inventory is being utilized as far as possible for the manufacture of products for sale elsewhere, a substantial increase in Western Canada sales is required to work the inventory into a satisfactory position.

Gas Imports

Gasoline imported from the United States in May amounted to 5.7 million gallons and from Peru 2.6 million gallons.

Div. on Biltmore Indicates Higher Earnings Record

Declaration of a dividend of 50 cents a share on the common stock of Biltmore Hats, Ltd., indicates that sales and profits are higher to date this year than in the corresponding period of 1934. The dividend is payable on July 15 to shareholders of record July 3.

The declaration is in line with the policy outlined by F. R. Ramsey, president, last January, when he stated that future payments on the common stock would be made as earnings and the liquid position of the company permitted. It also substantiates the item appearing in The Financial Post in May to the effect that the company's sales had increased this year.

Carriage Factories Stock Taken Off Montreal Board

From Our Own Correspondent

MONTREAL.—All of the common and preferred shares of Carriage Factories Ltd. have been removed from the official list of the Montreal Stock Exchange.

Weekly Record of Financing in Canada

SALES BY MUNICIPALITIES, PROVINCIAL AND DOMINION GOVERNMENTS

Municipal—	Date Sold	Sold to	Rate	Due	Amount	Price	Yield
Freres de Sacre Coeur	June	Banque Can. Nationale and Syndicate	4½%	1936-60	$850,000	*100	4½%
Soeurs Grises de la Croix, Ottawa	June	Harris, MacKeen & Co. and Syndicate	4%	20-yr. ser.	637,000	*100	4%
Sisters of St. Joseph of the Diocese of Peterborough	June	Harris MacKeen & Co.	4½%	20-yr.	240,000	*100	4½%

OFFERINGS OF CORPORATIONS AND FOREIGN SECURITIES

Bond Issues—	Date Issued	Offered by	Rate	Due	Amount	Price	Yield
Avon River Power	June	Royal Securities Corp.	5%	30-yr.	$750,000	98.50	5.10%

*Offering price.

BIGWIN INN, MUSKOKA

CANADA'S FINEST SUMMER HOTEL

Rates only $5.00 per day and up, American Plan. Golf 75c per round of 18 holes, 50c for 9 holes.

Reached by Canadian National Railways through Huntsville, Ontario, with delightful sail through three gem-like lakes or only three-and-half hours' motor ride over excellent roads, via Bracebridge, to Norway Point, where there is garage accommodation and ferry service to Bigwin Island.

Comfortable accommodation, excellent meals, perfect service, lawn bowling—every sort of boating—tennis—dancing—fishing. The very finest in concert music.

Fireproof construction. Cool and invigorating climate. Altitude 1,100 feet.

Northern Ontario Championship Tennis Tournament run off on Bigwin Courts week of July 22nd.

Write, wire or phone

The Bigwin Inn Company Limited

Bigwin Island, Lake of Bays, via Huntsville, Ontario

Maritime Tel. and Tel. Report Gains for May

From Our Own Correspondent

MONTREAL. — Both toll traffic and the number of stations installed showed an increase on the lines of the Maritime Telegraph and Telephone Co. during last May. The number of stations in operation at the end of the month was 38,590, compared with 38,434 at the close of April. In addition the Island Telephone Co., a subsidiary, reported an increase of eleven stations to 5,427.

Road Conditions:
"HEAVY GREASY MUD... EXTREMELY ROUGH"
ATHABASCA
EDMONTON • CANADIAN COACHWAYS
65-706
ATHABASCA
LAC LA BICHE
ALBERTA
SMOKY LAKE
CHIP LAKE
PORT SASKATCHEWAN
EDMONTON
Canada's Most Northerly Bus Route Serves Peace River Communities

The above illustration was drawn from an actual photograph supplied by Canadian Coach Ways.

Edmonton, Alta.
December, 12/34.

General Motors Products,
CALGARY, Alta.

Dear Sirs:—

Four years ago we purchased a Chevrolet utility chassis and began operating a bus line between Athabasca and the city of Edmonton.

Athabasca is located a distance of one hundred miles from Edmonton and the road is gravelled less than half the way. The road in wet weather is a heavy greasy mud and in dry weather extremely rough so that the operating conditions are not by any means ideal.

Our Chevrolet gave us little trouble apart from ordinary service work so when the question of replacement came up there was no hesitation in purchasing another Chevrolet.

Since then we have secured three other bus routes in Alberta and in each case Chevrolets were placed in operation.

Our experience with Chevrolet therefore has been more than satisfactory and we can highly recommend this chassis for that type of work.

Yours very truly,
CANADIAN COACH WAYS
(Sgd.) A. P. COLLINS

Experience with Chevrolet:

"MORE THAN SATISFACTORY"

We have found that when it comes to deciding on new bus or truck equipment, buyers are most influenced by the experience of other operators like themselves. That is why we prefer to build our advertising not on mere claims, but on the comments of typical owners of Chevrolet and Maple Leaf equipment. Read the letter from Mr. A. P. Collins of Canadian Coach Ways, Edmonton. Then go out and talk to some of the Chevrolet operators in your own community. You can safely take "the owner's word" for it—when it's a question of the right truck to buy for performance, appearance, freedom from repairs, long life and economy.

CT-35A

Chevrolet and Maple Leaf Trucks offer a complete line of models, ½ to 2 tons . . . General Motors Trailer equipment boosts Maple Leaf hauling ability to the 5-ton range . . . A full line of Chevrolet-built truck bodies . . . Low delivered prices, easy GMAC terms, and new Owner Service Policy.

FREE! OPERATING COST RECORD BOOK

Fleet and Commercial Division,
General Motors Products of Canada, Limited,
OSHAWA, Ont.

Gentlemen: Without any obligation on my part, please send me the "Operating Cost Record Book" which enables truck owners to calculate operating costs quickly and accurately.

Name and Title..................................

Company..................................

Address..................................

(Please print with black pencil)

CHEVROLET and MAPLE LEAF TRUCKS

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Member Audit Bureau of Circulations
Editor—Floyd S. Chalmers
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TORONTO, JULY 6, 1935

ADMINISTRATIVE PROBLEMS IN NEW DEALS

IN THE radio address he delivered after his 20,000 mile tour of the United States, Sir Josiah Stamp discussed the position of codes under the National Recovery Act. He said:

> "The most general criticism is that even if the codes were inherently correct in every detail and even if they were timed to operate at the right moment, there were not enough experienced administrators to go around for such a huge task. As an old government administrator, I know how large a part is played in the success of any new measure on the administrative side and how little the amateur administrator realizes the difficulty of his task."

Some 6,500 administrators and civil servants will be required to administer all the new activities that have been provided for in Canada by legislation passed during the present session of parliament. Few people realize how difficult the problem is going to be of finding enough competent experienced executives to handle the administrative phases of Canada's New Deal. That is, if the measures all come into force. The new government, whether Liberal or Conservative, might properly defer many of the social reform measures for some years.

HYDRO CONTRACT SETTLEMENT

IT IS to be hoped that the dictates of reason will prevail as a consequence of the impending conference of Pemier Hepburn of Ontario with Premier Taschereau of Quebec with regard to contracts of the Ontario Hydro to buy power from four Quebec companies.

As yet the Ontario legislation which authorizes cancellation of contracts of the Hydro-Electric Power Commission of Ontario with the Quebec companies has not been made effective by proclamation. It need never be used. Outright cancellation can, and should, be avoided.

The proper method of procedure to be followed in settlement of Ontario's power purchases from Quebec is negotiation with the interested parties. After obtaining Mr. Taschereau's point of view, and advice, Mr. Hepburn would be wise to confer with the power companies concerned. It would not be unreasonable and might be readily possible for him to arrange for the companies to defer all or part of the disputed power deliveries for several years. This would relieve the Ontario Hydro financially. Yet it would ensure Ontario of these power supplies in later years when they may be urgently needed.

One phase of the problem which is of vital importance is the question of the bondholders of the power companies. Mr. Hepburn has already informed The Financial Post that he will invite them to discuss the contract problem with him. Nothing should be allowed to alter this decision. The contracts may be improvident ones as has been claimed. Repudiation, which would prejudice the position of bondholders, however, would not right this alleged iniquity. Rather it would aggravate it. In its own interest and in the interest of the national credit, Ontario should not seek a settlement which would have the effect of causing default of obligations sold on the basis of the signature of the province.

Concessions, then, should not be asked of bondholders. Owners of the shares of the power companies and the Ontario Hydro could both make concessions to arrive at a compromise. There is no reason why the vexed question should not reach that consummation devoutly to be wished, peace with honor.

FRANCHISE FOR INVESTORS IN SENIOR STOCKS

PREFERRED shareholders in Canada have too long been supine with regard to recapitalization and reorganization plans of companies in which they have an interest. A large percentage of them regard themselves as creditors rather than part owners of their respective companies and believe that they are largely helpless in affecting important policies adopted by directors.

E. James Bennett, of Toronto, at a meeting of shareholders of Canada Bread Co., stated his opinion that all classes of shareholders should be enfranchised by law. He would like to see Dominion and provincial governments amend their companies' acts to this effect and make the provisions retroactive. Canada Bread board was not willing to amend its plan of recapitalization so that preferred shares should have the vote. Therefore he thought it was a case where Parliament and legislatures should get busy.

C. H. Carlisle, president, the board and the management apparently are doing a good job in improving affairs of Canada Bread. They believe recapitalization is essential and that every interest has been given consideration in their plan. Even in such a case, however, it is an encouraging thing to see shareholders standing up for themselves and asking to be convinced before making sacrifices. If shareholders themselves will not give close scrutiny to all plans advanced to change the character of their shares, who else can be expected to give them more than bare justice?

There is strong public reason for working out some plan for restoring the vote to all classes of shareholders that put money into a company. That is already a part of the Dominion Companies Act as passed by the House of Commons on June 24. The Senate may drop this new clause but otherwise the new provision will go into effect although it will not be retroactive. It is not the law of any province as yet.

Canada Bread Co. is one of the best instances of the value of such a proposal. Previously there were 25,000 shares each of B preferred and common shares but the common shares were split eight for one and have eight votes for every one of the B preferred. If the B preferred had had a vote when this plan was mooted shareholders of that class would have insisted on keeping their relative voting power.

It is obvious that one vote per share for all shares is not a counsel of perfection. Preferred shares usually are for $100 par and common shares are usually no par value. In the case of most companies, the common would still govern but the votes given the preferred shares would cause them to be regarded with increased respect and they would have a voice in every annual meeting. That would be a step in advance.

NEW COMPANIES ACT BORN AMID HARMONY

SELDOM has there been greater unanimity in the discussion of any bill in Parliament than that shown in the consideration of the new Companies Act which greatly strengthens the measures for the protection of investors.

The bill was piloted by Mr. Cahan with constructive assistance from the Prime Minister. For the opposition two experienced corporation lawyers, Hon. J. L. Ralston and J. L. Ilsley, the latter a member of the Price Spreads Commission that recommended most of the changes, contributed their ideas and suggestions. The discussion was keen but never bitter. Useful proposals made by the opposition were at once taken up by Mr. Cahan and many of his proposals were commended by the opposition.

Hansard read a little strangely when Mr. Bennett was found saying about a proposal of Mr. Ralston "I am in a position of agreeing with the honorable gentleman." Thus the debate went on, those taking part in the discussion admitting that they were all striving to attain the same end.

Ordinarily legislation that passes without adequate discussion and without criticism from the opposition, is dangerous legislation because it has not been sufficiently analyzed and dissected. But it is possible to have such criticism and discussion without unyielding resistance on either side.

The new Companies Act is a forward step for investors. It may not prove to be entirely workable but it does impose a higher responsibility upon directors to operate their companies in a spirit of trusteeship.

WEALTH SHARED THROUGH TAXATION

TO SPEAK of sharing wealth is not visionary. Rather it is blind, since there is already a substantial measure of wealth-sharing in Canada due to taxation.

For a man of wealth, it is cheaper to live than to die in this country. Either, however, is almost prohibitively expensive. And just as there is no escape from death on this earth, there is no escape from taxes in this country. The more a man has, the less, proportionately, is left to him by our governments.

Here, for instance, is a comparison of the way Dominion income taxation rises for the head of a family, in proportion to income:

Income: $	Dominion tax $	Percentage tax %	Residue $
5,000	120	2.4	4,880
10,000	546	5.5	9,454
25,000	3,780	15.1	21,220
50,000	13,178	26.4	36,822
100,000	34,472	34.5	65,528
200,000	88,515	44.3	111,495
500,000	281,400	56.3	218,600

Thus, the Dominion's income tax system is designed to soak the rich. Nevertheless, it is only part of the story. There are municipal and provincial income and property taxes which dig into the rich man's income. Long before he gets his income at all, his companies have been taxed on their properties, sales and what not, and have paid at least 13½ per cent tax on earnings to the Dominion.

Evasion of taxation on incomes and property in Canada is exceedingly difficult. There are few tax free securities remaining. To invest in non-dividend paying shares is to court heavy losses. A rich man cannot make gifts without yielding up substantial taxes to the Dominion, as follows:

Gift: $	Dominion tax $	Percentage tax %	Residue $
25,000	500	2.0	24,500
50,000	1,250	2.5	48,750
100.000	3,250	3.3	96,750
200,000	8,250	4.1	191,750
500,000	29,250	5.9	470,750
1,000,000	74,250	7.4	925,750

It is possible, of course, that most of the income could be given to charity. Rich men are usually philanthropists. Many of their eleemosynary disbursements, however, do not allow exemption from taxation.

If the burdens of remaining solvent and paying taxes worry Mr. Richman into his grave, his estate becomes subject to provincial succession duties. These levies run to great heights. An illustrative calculation, based on the maximum duties levied in Ontario, serves to demonstrate the high cost of dying:

Estate $	Ontario duty $	Percentage duty %	Residue $
100,000	17,046	17.0	82,954
200,000	39,327	19.7	160,673
500,000	125,577	25.1	374,423
1,000,000	318,202	31.8	681,798
2,000,000	720,702	36.0	1,279,298

The inescapable conclusion of an examination of soaking the rich in Canada is that the more industrious, thrifty and prosperous the individual, the greater the proportion of his wealth that will be taken away from him. Governments disburse the funds so acquired largely for the benefit of the "have-nots" in the community at large. Many of us are now working at least part time for the government, and through the government for the comparatively impoverished individuals in the community.

Thus, we already have a huge machine which is sharing the wealth in Canada: the juggernaut of government. It is our largest charitable organization.

And yet many people talk about having a "share-the-wealth" campaign as though that were a brand new idea.

UNEMPLOYMENT INSURANCE IS COLOSSAL PROJECT

IT MAY be questioned if there are a score of people in Canada who realize just what a huge task this country has taken on in attempting to set up a system of unemployment insurance. Even with all the richness of British experience to draw upon we will have peculiar Canadian problems to deal with.

First there is the question of cost. It is believed that 1,700,000 Canadian workers will contribute about $21 millions a year and their employers the same. The Dominion government will put up about $8,000,000 a year in premiums and possibly $7 millions a year in the cost of administration. The Dominion's annual cost may exceed these figures, but the addition of even $15 millions to the nation's tax bill is something not to be undertaken lightly. The employers' and employees' contributions will, in the main, be insurance premiums not to be regarded—except in the case of employees in stable occupations—as expenses so much as savings or deferment of purchasing power. The problems of investing the fund will be very great.

Then there is the problem of inequalities and injustices. One of these is the stability of some occupations as contrasted with the instability of others. Some workers are in fact to be taxed to keep the scheme going while others merely pay for personal security.

There are economic consequences not easily to be foreseen or weighed: the greater immobility of labor and the extra burden on export industries. The social consequences are not certain to be exactly those expected and desired. Are employers, for instance, likely to divide up work evenly when the employee working one or two days a week calls for a contribution to the fund equal to the full-time worker? Will employers feel an obligation to keep their workers on the pay-roll in slack periods when they can be loaded off on a fund? Will employers' contributions ultimately come out of wages? These questions are typical of many which experience will raise.

Finally, the real nature of unemployment insurance is not generally understood. That it must be exceedingly limited in the scope of its social and economic contribution; that benefits paid under it can never do more than supplement the personal resources of a worker during a short period in which he might reasonably be expected to obtain another job; such things are not generally appreciated. The insurance fund can never meet the unemployment problems of a major business crisis.

It is unfortunate that the State is in the position of a contributor at all. The State will now be regarded as the chief backer, the force to insure the permanence and success of the scheme. Actually assurance of permanence and success should come from the mutual effort of workers and employers to set up a true insurance fund for their mutual benefit. There is more danger of the financial prostitution of a scheme in which the government plays the major rôle than in a true co-operative employer-employee plan.

At the earliest, we can hardly have unemployment insurance in operation in Canada short of another year or probably two. On further consideration, we may find it necessary radically to modify the present legislation. It is a noble experiment but it could have been framed on more practical and equitable lines. That it has not been designed with the advice and assistance of business men is their own fault. They have had ample warning that unemployment insurance on some basis was bound to come. They should have studied the subject and made their representations more firmly and clearly to the government. When the initiative in designing the scheme passed to the politicians, there were general concessions to expediency and the simplest rather than the most equitable plan was drawn up.

HASTY LEGISLATION

BILL No. 120 of the House of Commons was given its first reading on June 25. It is entitled "An Act for the purpose of establishing in Canada a system of Long Term Mortgage Credit for Fishermen."

There are some very interesting facts in the above sentence.

The first is the number of the bill. Any session of Parliament that has to consider 120 bills in a single session, many of them far-reaching measures of grave consequence, is bound to make some very serious blunders. The New Deal legislation has been forced through Parliament at break-neck speed and members have not been able to understand it all, much less analyze the possible results of the different measures.

Secondly, it will be noted that the bill was introduced on June 25, a date on which Parliament has ordinarily adjourned. These are the dying hours not only of a session but of a Parliament. And yet a measure as important as setting up a system of loaning millions to fishermen is introduced casually and in the secure knowledge that the members will not have time to study the bill so will probably pass it on the government's say so.

Sayings of the Week

"A good rule is this—beware of talkers."—*Bruce Barton.*

• • •

"When Liberty is lacking, authority becomes tyranny."—*André Maurois.*

• • •

"The only method of creating sex appeal is by clothes."—*George Bernard Shaw.*

• • •

"A worthy discontent is an essential element of social well-being."—*Havelock Ellis.*

• • •

"I am satisfied it is a much better world than it was fifty years ago."—*William Allen White.*

• • •

"In the future, business is more apt to be decentralized than centralized."—*Ogden L. Mills.*

• • •

"For all our brave whistling in the dark, we are still far from out of the woods." — *Glenn Frank.*

• • •

"It is time to understand that the most valuable of all capital in the world is the people."—*Joseph Stalin.*

• • •

"We must look backward in history as well as forward, if we wish to avoid distorted views."—*J. S. Haldane.*

• • •

"The hard thing, in government as in business, is to make a success without a lot of money."—*Bruce Barton.*

• • •

"Most of the recent great wars have not been economic wars, but outbreaks of collective frenzy."—*André Maurois.*

• • •

"Wars may be declared for economic reasons, but they are fought by volunteers for sentimental reasons."—*A. A. Milne.*

• • •

"Divorce, so rapidly on the increase, is often a testimonial to the aloof wisdom of the bachelor."—*George Jean Nathan.*

• • •

"The happiest people seem to be those who have no particular cause for being happy except that they are so?"—*Dean Inge.*

• • •

"A return to the gold standard looms before us and can not be obstructed by anyone."—*A. P. Giannini, California banker.*

• • •

"Research is a way of finding out what you are going to do when you can't keep on doing what you are doing now."—*Charles F. Kettering.*

• • •

"Beauty is decidedly a 24-hour-a-day job. It allows no time off. It means self-denial and downright work, but it's worth it." — *Jean Harlow.*

• • •

"If Parliament is to be handcuffed by the British North America Act, in heaven's name let us at least attempt to unravel that problem."—*Hon. H. H. Stevens.*

• • •

"The sudden rise in the demand for heavy durable goods at the end of a panic is inevitable. But, because the rise is always sudden, it is always unexpected."—*Charles G. Dawes.*

• • •

"There cannot be and there should not be any such thing as equality among men, save equality of opportunity and equality in respect to provision for social and economic security." — *Dr. Nicholas Murray Butler.*

The American Scene

More Taxes

Roosevelt Assumes Offensive Against U. S. Wealth

BY DR. GAINES T. CARTINHOUR
New York Correspondent, The Financial Post

NEW YORK. — President Roosevelt's share-the-wealth message has caused a major uprising in democratic ranks. Different tactics will have to be adopted if this measure is to be passed by Congress during the present session. It was a master political stroke and a bold move to dispose of the barnstorming trip of Senator Huey Long intended to stir up agitation against rich pocketbooks.

The President has recently been beaten on two political battlefronts but is now on the offensive instead of the defensive and has indicated how he intends to get a part of the money to pay for the New Deal. There is little doubt that the movement toward progressive taxation of wealth and income will become more marked before many years have passed.

New Taxes

In addition to the present estate levies inheritance taxes on large bequests are recommended. Evasions are to be made difficult by higher gift taxes. Large incomes will be taxed more than ever. Instead of the current 13¾ per cent flat rate on corporate incomes, rates are to be levied on a graduated basis. The first of these proposals the administration believes will disrupt great family concentrations of wealth. Taxes on the last of this group are to begin at 10 per cent and go up to 17 per cent and will, if enacted, definitely break the truce with big business. In addition they will chisel into the surpluses of corporations.

Extremely heavy inheritance taxes would be levied only on inheritances amounting to $10 millions or more. This means that the heir to an estate of $10 millions would receive only $2 millions after paying the necessary state taxes. The present federal estate tax would first reduce the amount to $4 millions and the proposed plan to levy 50 per cent on net inheritances of between four and five million dollars would further deplete the bequest. Advocates of radical taxes in the United States still contend the schedules are inadequate. They are dissatisfied with the 75 per cent tax on inheritances over $10 millions and the surtax of 80 per cent on individual incomes over the same amount.

Some economists believe this is one of the ways the President wants to retaliate against big business for its action in killing the Blue Eagle.

Roosevelt's Views

Mr. Roosevelt believes the measure will progressively lighten the tax burden of the average taxpayer, help to balance the budget and reduce the national debt; also that vast concentrations of capital should be ready to carry burdens commensurate with their powers and advantages in the same way that large incomes are taxed heavier than small incomes at the present time. Some commentators are delighted with the proposal and point out higher taxes are the only alternative to uncontrolled inflation. Only by increasing taxes, they argue, will the administration be able to pay a substantial part of current expenditures.

However, the programme would not go very far toward bringing in enough revenue to reach this goal. Conservative estimates place the annual inheritance yield at $200 millions; individual surtaxes at about $100 millions; and corporate tax income $40 millions more than at present. The rates begin at 4 per cent on legacies above $300,000; a graduated surtax on individual incomes above $1 million to begin with a 60 per cent tax on incomes between $1 million and $1.5 millions; and the new corporation tax to start at 10 per cent on profits of less than $2,000 annually. Some of these rates may be changed.

To Rush Bills

In spite of the fact that such a programme requires extended study, it is understood no public hearings will be allowed except for a brief time on inheritance levies and every effort will be made to rush the bill through the present session.

The President's message was a sudden move and burst on the public like a bombshell because it would end vast inheritances in a democracy which believes that what one possesses can be bequeathed in any way the owner desires. Senator Huey Long claims credit for the new taxation philosophy and points to his numerous "Share-the-Wealth" clubs throughout the United States. The plan has been commended in many quarters and referred to as an intelligent process for raising necessary revenues, that there is nothing revolutionary about it because it simply extends the present system of surtaxes. Such statements are not accurate because the President has in mind more than a mere extension of surtaxes; he is interested in a redistribution of wealth programme which requires very rich inheritors and large corporations to foot the bill.

Opposition

Some question has been raised whether state and municipal governments throughout the United States will be encouraged to make greater levies after the Federal pattern. It is quite likely that such would be the case, not only for political purposes but for economic reasons. Many state and local governments are heavily in debt and expenses exceed income.

In certain quarters it is believed that prosperity could be attained more readily by creating wealth rather than by redistribution. Radical taxation, it is argued, may discourage efforts to create wealth, thus interfering with recovery.

It is probable that a high estate tax would in a period of time practically exhaust the source, and the Government would secure smaller and smaller returns. Experience in Great Britain has revealed this fact. There is no point, furthermore, in setting aside part of the inheritance taxes to be applied to reducing the national debt on the assumption that it is a sounder plan than a definite annual retirement programme independent of the fluctuating proceeds from one type of tax.

Meanwhile private business in United States is getting back on its feet and should continue to improve unless initiative is impaired.

As Others See Us

Wages, Black and White

Northern Miner

Horace T. Hunter, writing from Kimberley, South Africa, to The Financial Post, makes some interesting observations on gold mining taxation, as practiced on the Rand.

This situation is well known in Canada but it is the circumstances under which such onerous imposts are collected that are not so familiar to Canadians. Gold mining income in South Africa amounts to about $300,000,000 annually and a large part of the production is from government-owned areas, which are worked by private companies under an agreement which renders to the government a very large part, in some cases 60 per cent, of the profits.

Another significant point brought up by The Financial Post executive relates to labor employed in the South African gold mines. He states: "The natives are for the most part uneducated and work for a mere pittance of 50 to 75 cents a day. The gold mines are operated largely by this cheap native and colored labor. If wages were $2.50 per day there would be no profit for the owners and no taxes for the government."

That last observation is particularly pertinent to the gold discussions now progressing in Canada. If the Canadian mines were to recruit all the Indians in the North Country and put them to work at 50 to 75 cents a day, with one white man for every four colored, Canadian mines could make profits which would be on such a scale that one-third of them would not be missed greatly. But Canadian mines engage white labor only, at average wages in excess of $5 per day per man.

Native labor at pittance wages would not provide much revenue for business. White labor at $5 a day has money to spend, to assist all the industries in the country. Every Canadian gold mine that is opened and permitted to operate under a reasonable tax scale adds to the volume of that money, to the volume of resulting business. Every time taxes are increased a barrier is erected to the new money stream. Undeveloped deposits are just so much rock.

Labor has more of a stake in taxation than it appears to realize sometimes.

The Bitter Bite

Port Arthur, News-Chronicle

The Financial Post has an editorial on The Biter Bit. It seems to have been prompted by the bitter bite.

Other People's Views

When a Contract Needs a Friend

Nation's Business, Washington

Whether the Ontario Government's decision to repudiate power contracts with private companies is "the most serious catastrophe that has occurred in Canada in many years," as one observer views it, the situation raises its own question of the good faith of public authority. One correspondent sees "the credit of every municipality, every province and of Canada itself adversely affected."

Canadian editorial comment points out that, if the Ontario Hydro-Electric Power Commission were privately owned and operated, and if it found itself in bankruptcy because of the signing of improvident contracts for wholesale power, its bondholders would be able to protect their interest by taking over the properties, writing down the debts and, through the bankruptcy courts, forcing a revision of its contracts.

Why this cannot be done is because "Hydro" is publicly owned. It follows that the credit of the Province of Ontario is involved. Cancellation of power contracts by the Ontario Government qualifies the reputation on which all of its bonds, whether Hydro or not, must be issued in the future. Its purpose, seemingly, is to declare itself financially sound and an honest debtor, at the same time rid itself of a specified part of its obligations. How to designate its debts in order to accomplish that purpose is as much a matter of public ethics as it is a problem in public finance.

Thinks Members Should Pay

Truro News

We think the least said in the House of Commons regarding the exemption of members' so-called indemnity the better. The indemnity question is a most unequal one because there are in the House of Commons a certain number of the members who are really at a great hardship in devoting the time that they do to the work of the country for so small a remuneration compared with their earning power. On the other hand there is unquestionably a line of members in the parliamentary seats who are not worth their salt let alone the $4,000 indemnity which is handed out to them. As a general and unfailing principle the law maker must not be exempted from the laws he makes if he expects those laws to be respected. Preaching and practising must ever, to be effective, go hand in hand.

Stop Me If You've Heard This One

A barrister who was sometimes forgetful, having been engaged to plead the cause of an offender, began by saying: "I know the prisoner at the bar, and he bears the character of being a most consummate and impudent scoundrel."

Here somebody whispered to him that the prisoner was his client, whereupon he continued: "But what great and good man ever lived who was not calumniated by many of his contemporaries?"

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The Week in Business

Ottawa Thinks Differently

APPARENTLY Ottawa trade department officials and The Financial Post use a different system of figuring. The Post recently said that about 4,000 new jobs would be created if the Federal Trade Commission and allied regulatory bodies were created

Ottawa does not agree. The much-ballyhooed Federal Trade Commission in the United States has only 440 officials. But the Stevens-sponsored legislation did not end in the proposed dozen or so commissions. In any case there is nothing yet for either party to use for an argumentive base.

• • •

$1 Million To Spend

A MILLION extra dollars are waiting for manufacturers. The offer to buy this amount of goods is made by the Robt. Simpson Co. The hope is that it will increase employment during the slack summer season. At the same time the goods will be offered to the public on a non-profit basis.

Back in the crisis of January, 1933, the company made a like offer. Now in July, 1935, with recovery hesitating, it feels that it is again time to help keep manufacturers' payrolls fat. Hesitation is being battled with confidence and a cold million.

• • •

Gas Tax Versus Motor License

AFTER paying a lump sum of cold cash for their license fees most motorists would likely feel that they contributed more to Canadian tax coffers by this means than that collected on gas sales

But the tax from motor "juice" tops registration fees. Out of motor revenue of $50,6 millions last year—which was $3.6 millions better than in 1933—gasoline tax made up $29 millions. Incidentally, Ontario accounted for 50 per cent of the Canadian total.

• • •

Two Sides to a Story

PRICE-CUTTING — which do the most—chains or independents? Both have to share the blame, while headlines have been against the chains But there are always two sides to a story.

Recently an independent survey was made in Canada covering 25 per cent of all the outlets in certain trade. And this 25 per cent did half the total trade. Result: greatest cuts were by the independents.

$8 To The Coast—Via Diesel

APPROXIMATELY 3,000 miles for $8. Not a motor dream but what is hoped for by the makers of a new passenger Diesel engine in the United States. First lap results covering 496 miles are encouraging. Here they are: averaged 40.2 miles per gallon of fuel oil; cost 74 cents; add 38 cents for tax.

It's a 100 h.p. Cummins Diesel engine on a standard Auburn chassis. It looks like a standard car but here are a few differences: No spark plugs or ignition system, "gasifies" fuel oil before injection into the cylinders and no warming up. Dealers and engineers in Canada and the United States are keeping a wide-open weather eye on this experimental run.

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Big City Shopping

CANADA hasn't many big cities, in fact only seven with a population of 100,000 or better. But these centres do 40 per cent of the total retail trade in the Dominion. Add 11 cities of 30,000 to 100,000 population and you have 18 cities which, while having only 29 per cent of the total citizens, account for 54 per cent of all retail trade.

The bigger the city generally the more money the people spend. At least it looks that way—on the basis of per capita sales. For in the seven largest cities people spend $504 apiece. In the next group of 11 it falls to $480. It drops to $86 per capita in places of less than $1,000. Moral: bigger profits with bigger business in the biggest cities.

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Tack This Up

THE humble tack goes modern with "shelf appeal." Good-bye dull, black container, with top-heavy base. In comes the new package as far removed from their predecessors as a Heinz bottle from the old pickle barrel.

Color, and plenty of it, is featured in the new style trend in tack packaging as being offered by Steel of Canada. Nine brilliant color combinations tell you the difference between big and little tacks.

While the box shape goes modern, too. Instead of being tall and set on a small base with open end, the new container is flat, with a broad base and shallow depth. Tacks have had a long package history but now they fall in line with modern consumer trends.

Business Indicators

Auto Financing—Motor car financing, a definite indicator of general business conditions, moved forward 25 per cent in number and 28 per cent in dollar volume during May, compared with the same month last year. Total cars financed in May, both commercial and passenger, numbered 14,736, at a cost of $6.1 millions.

Employment—In line with the recession in business in Ontario during May, there were also fewer numbers employed. Gains were made, however, in the other four economic areas. While the advance on June 1, 1935, provided work for many persons, it was smaller than the average increase indicated between May and June in the years since 1920. The employment index, after seasonal adjustment, declined to 95.1 on June 1 from 97.4 on May 1.

Construction—Conditions in the building trades were better in June when contracts awarded moved up 13.6 per cent above May and 52 per cent over June of last year. Of the June total of $18.5 millions, Ontario accounted for $8.1 millions, followed by Quebec with $3.9 millions, and New Brunswick with $2.8 millions. The 1935 first half year total of $76 millions was higher by 24 per cent than 1934 and 124 per cent ahead of the same period in 1933.

Carloadings—Light loading in both the eastern and western divisions reduced total car loadings for the week ended June 22 to 43,580 cars, as against 44,436 cars for the corresponding week last year and 45,726 cars for the previous week. Pulpwood, pulp and paper, and merchandise were the only commodities to show increases over the previous week.

Leading Indicators as Compiled by The Financial Post

▲Denotes new figures this week.

WEEKLY DATA	Latest 1935	Latest 1934	Cumulative Total Jan. 1 to date 1935	Cumulative Total Jan. 1 to date 1934
Transportation—				
Car loadings (June 22)	▲43,580	45,726	1,068,549	1,048,169
C.P.R. gross earn. (June 21)	$ 2,373,000	$ 2,143,000	$ 53,337,000	$ 53,706,000
C.N.R. gross earn. (June 21)	$ 3,366,787	$ 3,246,631	$ 75,891,594	$ 75,014,264
Business Conditions—				
Business failures (No.) (June 8)	25	19	610	723
Weekly index D.B.S. (June 22)	▲99.7	92.7	......	......
MONTHLY DATA	1935	1934	1935	1934
Business Conditions—				
Financial Post index (May)‡	99.6	96.7	......	......
Transportation—				
C.P.R. net earnings (May)	$ ▲1,143,913	$ 1,801,927	$ 4,658,206	$ 6,296,632
C.N.R. net revenue (May)	$ ▲656,319	$ 1,819,036	$ 2,673,397	$ 3,390,248
Iron and Steel (May)				
Pig iron production (tons)	45,432	38,189	215,222	120,521
Steel ingots and castings prod., (tons)	72,811	71,437	314,713	333,509
Automobiles (Number)—				
Passenger Car:				
Domestic sales* (May)	13,832	11,868	47,127	35,614
Factory output (May)	17,093	16,504	78,114	56,274
Trucks and Buses:				
Domestic sales* (May)	2,694	1,899	8,973	5,120
Factory output (May)	3,672	3,657	17,470	11,905
Exports (May)	6,499	4,242	28,705	18,613
Construction—				
Building permits (May)	$ 4,799,285	$ 3,019,761	$ 19,486,105	$ 7,999,917
Contracts awarded (June)	$ ▲18,521,400	$ 12,208,900	$ 75,594,500	$ 60,916,700
Newsprint (tons)				
Production (May)	242,693	242,539	1,052,883	1,031,996
Exports (May)	▲239,880	207,070	936,333	923,281
Sugar (lb.)				
Melting & shipments§	80,171,459	42,808,879	197,493,501	148,716,331
Manufactured§	77,519,642	41,631,337	207,027,807	148,796,969
Flour (bbls.)				
Production (April)	965,765	1,088,795	3,978,227	4,297,343
Wheat flour exports (May)	383,221	481,725	1,813,424	2,092,547
Trade (May)				
Imports	$ 54,547,747	$ 52,886,861	$ 213,648,704	$ 201,203,958
Exports	$ 62,100,691	$ 51,899,511	$ 248,395,960	$ 231,623,533
Wheat exports (bush.) (May)	11,989,891	19,023,770	38,510,899	46,296,411
Employment, D.B.S. Index—				
All industries (June 1)	▲95.1	96.6	......	......
Manufacturing	▲95.4	93.2	......	......
Electric Power Output (May)				
Total monthly (000's omitted)	1,923,071	1,830,820	9,563,841	8,665,752
Aver. daily	62,034,000	59,059,000	......	......
Other Industrial Indices—				
Lumbering:				
Plank & Board exports, mill (May)	129,517	112,777	457,365	503,929
Boot & shoe prod., pr. (Apr.)	2,026,464	1,652,490	6,875,185	5,695,847
Crude petrol., imp. gal., (May)	113,131,917	98,879,935	310,749,567	313,274,734
Cotton imports, lb., (May)	6,316,015	15,987,306	43,654,569	59,208,757
Raw rubber imp., lb. (May)	8,800,907	4,967,810	26,724,481	26,033,374
Coal imports, tons (May)	▲1,485,060	1,548,268	3,639,790	3,668,548
Finance—				
Bank debits† (May)	$ ▲3,132,209	$ 3,128,964	$ 12,505,825	$ 12,840,587
Bond sales (May)	$ 58,977,182	$ 75,306,737	$ 218,354,656	$ 180,838,335
Life insurance sales (May)	$ 27,423,000	$ 33,184,000	$ 149,445,000	$ 155,808,000
Automobile Financing—				
Used cars (May)	$ ▲2,478,268	$ 1,953,204	$ 7,186,121	$ 5,213,586
New cars (May)	$ ▲3,668,725	$ 2,852,630	$ 10,463,413	$ 7,170,776

*D.B.S. All-Canada figure comprising over 90% of the Canadian total. †000's omitted. §For 4 weeks to May 18. ‡Final.

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Building Construction Waiting Lower Costs

Uncertainty Retards Industry — Prices of Materials Have Fallen Less Than Other Major Groups — Wage Boosts Under Codes in Ontario Present Problem

Are high costs of materials and wages holding up building recovery?

Land values are down. Obsolescence has made much new construction necessary. Improvements are offered by the score. The replacement market is top-heavy with old structures. Money is "cheap" to sound borrowers.

Speaking of Prices

Relatively high prices are said to be one answer to the building riddle. While other major industries have slashed prices to boost sales in a smaller market, the building group have made little effort to fall in line. Prices have been cut on competitive products, but there have been no sweeping reductions.

Farmers Take Less

Comparing the average 1929 price of building materials with that on May, 1935, there has been a fall of only 17.8 per cent. During the same years farmers took 36.7 per cent less for their wares, while producers' goods moved down the price ladder 25.7 per cent. At the same time the wholesale price index was lower by 24.4 per cent. All of which points to the fact that costs of building material are not yet in balance with other price indices.

Canadian Wholesale Price Index Numbers
(1926 = 100)

	Building and Construct. Mat.	General Wholesale	Farm Products	Producers' Goods	Consumers' Goods
1929	99.0	95.6	100.8	96.3	94.7
1930	90.8	86.6	82.3	82.8	89.3
1931	81.9	72.1	56.3	67.9	76.2
1932	77.2	66.7	48.4	63.1	71.3
1933	78.3	67.1	51.0	63.1	71.1
1934	82.5	71.6	59.0	67.9	74.1
1935 (May 15)	81.4	72.3	64.1	70.6	73.2
% change	17.8	24.4	36.7	25.7	21.5

Up From Low

The low point for building material prices was reached in 1933. The reaction which set in during 1930 finished in 1933, and since then prices have generally moved higher, with a 3.1 per cent rise taking place between the 1933 low point and May, 1935. Over the same period, lumber was 5.3 per cent higher and painters' materials up 7.3 per cent. The present prices, however, compared with the 1934 average, are fractionally lower.

Building and Construction Material Prices
(1926 = 100)

	May, 1935	12 Mos. 1934	12 Mos. 1933	12 Mos. 1932	12 Mos. 1931	12 Mos. 1930
Bldg. & constr. materials†	81.4	82.5	78.3	77.2	81.9	90.8
Lumber	76.1	78.6	70.8	68.8	77.4	90.1
Painters' materials	73.5	75.0	66.2	63.5	69.1	86.9
Miscellaneous*	88.4	88.2	88.4	88.7	89.4	92.5

*Structural steel, brick, building hardware and stone, glass, etc.
†Average index based on prices of 111 items made up on the basis of 33 lumber products, 13 painters' materials, and 65 miscellaneous.

Price Understanding

Lack of substantial price cuts is attributed in part to the alleged price understanding among producers of key materials. In this especially are cement, brick, stone and glass. The relative stabilization of these prices, while helpful to the producer, has not favored the consumer.

Lumber is the top product in home building. In an average residence costing around $8,500, perhaps one-third goes for lumber. Plumbing and heating accounts for say one-fifth to one-sixth. While bricks may vary from $400 to $700.

Drop in Wages Small

Coming to wages, a most important trend in building costs, the trend is much the same. They have fallen, but because of their former high level, they still remain generally out of line for payments in other industrial occupations.

Wages rose all along the line from 1926 to 1930, then started to fall. Between the latter date and 1933, the decrease was fairly general and averaged about 10 per cent. Last year there were a few declines but the movement was not general, and the Department of Labor at Ottawa gives the average drop at about three per cent.

The Ontario Situation

The wages quoted are on the basis of the union scale. To get the whole picture it is necessary to check non-union rates. The big spread between these rates, and even those tendered by union workers who have been willing to drop under the organization's fixed rate, has been the driving force behind the formation of the Industrial Standards Act in Ontario.

Under the new codes signed to date, wages have been boosted even above the old union rate for plumbers and steamfitters, plasterers and lathers. Electrical workers are now waiting an order-in-council to make their new rates effective about July 15. Employers and employees in the painting trade are now working on their problems while asbestos workers are hopeful of an agreement.

High material costs, tacked to rising wages, are likely to have a serious effect on the volume of new business. Just how the new code wages in the building trades will line up in Toronto is shown in an article on page 3.

Economic Areas Record Increases During May

Ontario Only Region to Decline — Quebec and Maritimes Stage Rally — Bank Debits Bright Factor — Export Trade Better

Four pluses and one minus featured Canada's tide of business in May. Ontario reacted for the second successive month, compared with the high recovery peak reached in March.

But the other four economic regions marked up gains, with substantial business rallies being scored by the Maritimes and Quebec.

Maritime Rally

The provinces by the Atlantic staged a comeback after three months of a falling index. Chief factors behind the rally were marked gains in electric power output which was up 8.8 per cent, a 5.2 per cent betterment in bank debits, and a marked increase in construction contracts. Net results: Maritime index up to 100.3 from 99.2.

Quebec Slight Recovery

After declining for three months from the January high point, the Quebec index showed a slight recovery in May, moving up to 119.1 from 118.4 per cent. Plus signs were chalked up by power output, bank debits, shoe production, and newsprint. On the other hand, the textile industry was less active.

Ontario Down

Ontario receded. Factors which were lower include construction, electric power, employment, meatpacking, and motor cars. On the other hand, bank debits went higher as also steel production. The composite index dropped to 103.4 from 106.1 per cent.

Prairies Better

Bank debits stood in the van of economic factors which gained in the Prairies during May, with debits moving up to $730 millions from $486 millions. In the Winnipeg and Regina area they were higher by 33.4 per cent.

Electric power output, employment, and wheat receipts at country elevators moved lower. The index for the area advanced to 106.0 from 102.9 per cent.

Seven Out of Nine in B. C.

The British Columbia index showed a moderate gain, advancing to 103.2 from 102.9 per cent. Construction contracts recorded a definite gain while electric power output was up nearly seven per cent.

The employment index, which was down in the other four regions, moved higher by 1.5 per cent in British Columbia. Export trade through the province's ports was higher by 28.6 per cent while imports had a boost of 6.7 per cent.

Business Indicators in Economic Areas*

		May, 1935	May, 1934	April, 1935	—Change— May, 1935 May, 1934
Maritimes:					
Construction contracts	$	1,987,000	2,006,000	795,000	—0.9
Building permits	$	153,000	163,000	116,000	—6.1
Life insurance sales	$ 000's	1,639	2,020	1,849	—18.9
Bank debits	$ 000,000's	47.5	47.7	42.4	—0.4
Electric power	kw.h. 000's	1,866	1,833	1,769	+1.8
Employment	1926 = 100	101.6	98.4	97.4	+3.3
Tonnage of vessels, cleared		304,568	383,773	539,979	—20.6
Exports	$	7,678,779	12,342,662	12,961,964	—37.8
Imports	$	2,348,495	2,172,632	2,523,613	+8.1
Quebec:					
Construction contracts	$	2,418,000	2,646,000	2,402,000	—8.6
Building permits	$	1,688,000	881,000	1,806,000	+91.6
Life insurance sales	$ 000's	8,195	10,181	8,520	—19.5
Bank debits	$ 000,000's	858	816	656	+5.1
Electric power	kw.h. 000's	34,250	33,427	34,298	+2.5
Employment	1926 = 100	93.8	90.9	89.7	+3.2
Imports of raw cotton	lb.	6,316,015	15,987,306*	8,835,554	—60.5
Newsprint production	tons	242,693	242,539	222,244	+0.1
Ontario:					
Construction contracts	$	6,166,000	11,276,000	5,079,000	—45.3
Building permits	$	2,152,000	1,360,000	3,518,000	+58.2
Life insurance sales	$000's	11,974	14,265	12,646	—16.1
Bank debits	$000,000's	1,360	1,331	1,043	+2.2
Electric power	kw.h. 000's	17,287	15,769	17,791	+9.6
Employment	1926 = 100	101.6	104.4	101.7	—2.7
Livestock slaughterings,	1926 = 100	129.3	130.8	135.5	—1.1
Steel production	tons	72,811	71,437	68,530	+1.9
Automobile production	No.	20,765	20,161	24,123	+3.0
Prairies:					
Construction contracts	$	2,644,000	933,000	2,473,000	+183.4
Building permits	$	499,000	381,000	583,000	+31.0
Life insurance sales	$ 000's	3,497	4,110	3,312	—14.9
Bank debits	$ 000,000's	730	805	486	—9.3
Electric power	kw.h. 000's	3,666	3,446	3,956	+6.4
Employment	1926 =100	92.2	89.5	87.9	+3.0
Wheat receipts	bush.	5,626,000	8,336,000	6,280,000	—32.5
Wheat prices	$ per bush.	.857	.706	.876	+21.4
British Columbia:					
Construction contracts	$	3,087,000	523,000	930,000	+490.2
Building permits	$	307,000	180,000	270,000	+70.6
Life insurance sales	$ 000's	1,836	2,394	2,382	—23.3
Bank debits	$ 000,000's	136.7	129.3	140.1	+5.7
Electric power	kw.h. 000's	4,096	3,761	3,994	+8.9
Employment	1926 = 100	96.6	89.1	92.6	+8.4
Imports	$	4,205,408	4,047,038	2,641,974	+3.9
Exports	$	13,442,444	7,391,510	6,915,561	+81.9
Tonnage of vessels, cleared		945,453	837,620	864,579	+12.9

*The factors itemized herewith are those for which figures are available in each area. The Financial Post in compiling its indices for each year uses additional factors pertinent to each particular area.

New Projects

Airplane — large twin-engined plane is being completed and specially fitted for industrial and general air photography and survey work for Canadian Airways Ltd., by the De Haviland Aircraft of Canada, Ltd., at its plant at Downsview, near Toronto. The company also is carrying out reconditioning work on aircraft of the Royal Canadian Air Force.

"Cool" Steam

Dunham Engineers Blaze New Steam Heating Trail

"Hot" steam has long suffered from classification with such things as red peppers and tobasco sauce.

Now "cool" steam comes along. The principle is that the temperature of steam varies with the pressure upon it. For instance, a three-minute egg becomes a very soft-boiled specimen on a mountain peak.

So the Dunham Differential System delivers mountain-top steam, or hill-top steam, or ordinary sea-level steam to radiators in accordance with the needs of the weather. And it's all done by varying the pressure as well as the quantity of the steam.

Last year, after "cool" steam equipment had been installed, nine Canadian buildings saved 1,136 tons of coal. While four oil-furnace buildings saved $2,000.

TARIFFS REDUCED BY NEWFOUNDLAND

Cuts Average 10 Per Cent — Clothing and Agricultural Products Head List

From Our Own Correspondent

ST. JOHN'S, NFLD.—The commission of government, with its announcement of a second tariff reduction within six months, continues to carry out the policy of reducing living costs in Newfoundland. The latest cuts, involving an estimated revenue loss of $250,000, are supplementary to a list made effective Dec. 31, 1934.

Ten Per Cent Lower

Duties on clothing and footwear, reduced last December, have been lowered another 10 per cent. A like reduction has been made on woollen household fabrics, fur garments, wool, silk, rayon and cotton prices goods.

The drawback, however, on shoe findings has been increased 10 per cent, and on certain other products used by shoe manufacturers it has been raised 33½ to 50 per cent.

Foodstuffs Down

Tariff slashes on foodstuffs include a drop of 15 cents per 100 pounds of beans and lentils, and 20 cents per 100 pounds of rice. The duty on cheese has been lowered to three cents from six cents per pound.

Helping Agriculture

As part of the government's plan to help livestock production, a reduction has been made on oats from 10 cents to five cents per bushel; cornmeal from 50 cents to 25 cents per barrel; offals of grain from 25 cents to 10 cents per 100 pounds.

Pasteurizing plants, chicken brooders and fish cleaning apparatus will be admitted free under the new schedule. The duty on fish packing machinery, when imported from England, has been lowered to 10 from 25 per cent.

Canadian Film Shorts Now Selling Steadily

Eight Canadian featurettes are currently running in the Dominion's theatres and four more are in production, states B. E. Norrish, managing director of Associated Screen Studios, Montreal. The present programme calls for the release of one new film each month.

The production of these films, Mr. Norrish said at the Empire Films Convention on July 1, at Toronto, has now continued steadily for three seasons with consistent success. The Canadia shorts have been particularly well received in Great Britain, New Zealand and Australia among the Empire countries where they are regularly shown. Completely Canadian both in subject matter and in production, the films are one-reel entertainment pictures, depending for their theatrical success entirely on their merit in competition with similar shorts from all parts of the world. Cameramen and sound technicians have visited every province of the Dominion in connection with the filming of the series.

B. C. Profits from Liquor Up $172,998 in Last Year

Liquor revenues of the B. C. Liquor Control Board amounted to $2.5 millions in the fiscal year ended March 31, 1935. This was an increase of $172,998 over the previous year, and more than $785,000 above the budget estimate. Total sales were up almost a million to approximately $10.2 millions. Beer sales were from $3.8 millions to $4.3 millions, with British Columbia breweries selling all but about $90,000 of the total.

It had been anticipated that repeal in the United States would result in lower sales, but such did not prove to be the case. W. F. Kennedy, chairman of the Liquor Control Board, states that inspection reports indicate that there is less bootlegging in the province than at any time in the board's history.

More Washing Machines

Twenty factories in Canada manufactured or assembled domestic washing machines during 1934. A total of 87,401 machines were made compared with 58,931 in 1933, 58,486 in 1932, and 76,693 in 1931. The 1934 output included 76,451 electric, 1,516 gasoline-driven, 70 water power and 9,364 hand-operated machines.

Commodity Prices

	Latest week	Previous week	Same week last yr.
Cattle	$7.15	$7.50	$6.75
Hogs	10.80	10.40	9.85
Copper, lb.	.08	.09	.09
Cotton, lb.	.1215	.1195	.1245
Rubber, lb.	.1243	.1256	.1406
Sugar, raw, lb.	.0329	.0325	.0318
Silk, lb.	1.42	1.41	1.25
Wheat (Man.) bus.	.81¾	.81⅛	.76⅝
Coffee, lb.	.06⅝	.06¾	.09⅝
Weekly Indices			
N. Y. Annalist	121.6	122.4	114.7
Fishers'	81.6	82.0	78.0
N. Y. Journal of Comm.	77.7	77.5	75.9
Crumps (Brit.)	64.4	64.8	64.5
U. S. Labor	79.8	79.9	74.6
Canada (D.B.S.)	71.5	71.6	71.9
Monthly Indices	Latest w'sale	Prev. month	Same month last year
Canada (D.B.S.)			
Retail (May)	78.8	78.8	78.5
W'sale (May)	72.3	72.5	71.1
U. S. Labor (May)	80.2	80.1	73.7
Gt. Brit. (Mar.)	66.1	66.4	63.4

Note: Indices on all base 1926 = 100. British index is Economist converted to 1927 base.

Base of price quotations is as follows: cattle—steers, good, over 1,050 lbs., top price. Toronto: copper—electrolytic, New York: silk—Japanese, 13-15, New York: sugar — 96 degrees centrifugal c/f New York: wheat—No. 1 Man. North., Ft. W. Pt. A. basis: hides—heavy native steers: select bacons, Toronto.

May Newsprint Exports Greater Than Last Year

From Our Own Correspondent

MONTREAL. — Canadian newsprint exports in May totalled 4.8 million cwt., valued at $8.2 millions, compared with 4.1 million cwt. worth $7.6 millions a year ago, according to a report issued by the Dominion Bureau of Statistics. Leading purchasers of newsprint paper were the United States with 3.9 million cwt.; Australia 233,000 cwt.; Japan, 146,000 cwt.; China, 127,000 cwt., and the United Kingdom with 86,000 cwt.

A substantial increase was shown in export of wood pulp and screenings during May which totalled 1.2 million cwt., and valued at $2.6 millions, against 1 million cwt. with a value of $2.2 millions in the same month last year.

Pulpwood exported totalled 44,223 cords, valued at $315,000, all of which went to the United States. A year ago the amount was 30,946 cords, with a value of $215,612.

N. S. Fish Production

Nova Scotia's production of fish in 1934 had a total value of $7.7 millions, compared with $6 millions in 1933. The principal kinds of fish are lobster and cod, the former with a total marketed value in 1934 of $2.5 millions and the latter with $2.0 millions.

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360 Eggs Per Capita

In Canada, the consumption of eggs per person every year is placed at 360; in the United States 260; and in Great Britain 158.

Bicycles at $1 Million

Manufacturers of bicycles in Canada reported a total output valued at slightly over $1 million in 1934 as compared with $712,624 in 1933.

Correspondents
THE KENTERNE TRUST LIMITED
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Notice to Manufacturers

Simpson's is Now Spending an Extra Million Dollars for July Business

To Increase Employment During the Slack Summer Season

We are spending an extra million dollars, buying from Canadian manufacturers, seasonable new goods which can be sold in July at prices which our customers can afford to pay.

We are passing these goods on to our customers without profit—the only addition to cost being an amount to cover our actual outlay for wages and supplies.

This is an opportunity for manufacturers to add to their pay rolls, and an opportunity for customers to buy at the cost of materials and handling only.

Our buyers are instructed, when taking delivery of these special purchases, to pay for them in cash on delivery.

Customers may recall that in the crisis of January, 1933, we took similar action, with the result that thousands of dollars were put into the pay envelopes of Canadians who otherwise, presumably, would have been unemployed.

Taxes now being paid out by this business are greater by more than a half million dollars yearly than in 1931. These taxes have been necessary to assist those on relief.

This July—1935—finds recovery hesitating. There are more empty pay envelopes than there should be. We are out to combat hesitation and lack of enterprise. We have confidence in Canada, confidence in our Provinces and confidence in our City. Hence:

Simpson's is spending an extra million dollars for July business to increase employment

MANUFACTURERS ARE INVITED TO ACT AT ONCE

Our Buyers are Ready to Receive Them . . . Now!

Simpson's

ROYAL BANK OF SCOTLAND

(Incorporated by Royal Charter, 1727)

Capital (fully paid)	£ 3,780,192
Reserve Fund	£ 3,780,926
Deposits	£58,944,630

General Manager
William Whyte

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Descriptive literature Number 105 and full particulars from Frank S. Stocking, 1010 St. Catherine Street, West, Montreal, Canada.

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Twin Beds with bath	$5 -$6-$7 -$8

Make your home at the Royal Connaught the traditional host of Hamilton.

VERNON G. CARDY *Vice-President*
WILFRED A. STEAD *Resident Manager*

THE Royal Connaught HOTEL

Bank Chat

Gold and Horses

THAT is a horse of another color," said Hon. James J. Hughes, Souris, P.E.I., in the Senate discussion of the transfer of gold from the banks to the Bank of Canada. The reference to horses arose when it was suggested that if a man bought a horse for $50 he is not obliged to sell it for $50. The connection with the gold transfer was that since the banks bought the gold at $20.67 an ounce that was no reason why it should be turned over to the central bank at the same figure when the market price of gold had risen 70 per cent. It was pointed out by Rt. Hon. Arthur Meighen, however, that when a man buys a horse there is a certain element of speculation involved. The horse might die or go lame. In the case of the banks holding the gold, on the other hand, speculation did not enter and there did not seem to be any reason why they should get all the fortuitous gain arising from the increased value of gold.

* * *

Eminent Domain

A PROMINENT Montreal banker was stumped by the Minister of Finance, according to Senator R. Dandurand. When asked by what authority the Government was taking over the banks' gold, the Minister replied, "It was taken by virtue of eminent domain." According to the banker, these two words were pronounced by the Minister in such a solemn way that he was awed and did not know what to say.

* * *

Limitation on Whales

MONTHLY report of the Norwegian Joint Stock banks announces that HVALFANGERFORENINGEN, the association of whaling companies, has decided to appoint a committee with the object of submitting a proposal for voluntary limitation of the catching of whales during the 1935-36 season. We might be bold enough to suggest on behalf of the rest of the world that a committee might be set up to limit voluntarily the number of letters in a whale of a word.

* * *

Newfoundland Dollar

SUGGESTION is made by the St. John's Daily News that Newfoundland would be somewhat better off to tie-up with the pound sterling rather than the Canadian dollar as at present. Says the editorial: "The gyrations of sterling in the past few years have, however, given birth to the suggestion that it would be more advantageous to Newfoundland to have the dollar established at a fixed ratio to the pound." The principal reason behind the idea is the fact that most of that country's fish is sold in terms of sterling, and exchange stability would be to the islanders' advantage. The proposal is being considered by a special committee of the council of the Board of Trade.

It is pointed out that such a step would not interfere with the operations of Canadian chartered banks in Newfoundland, except that notes used there would be stamped for circulation in Newfoundland only. This practice is followed in certain West Indian colonies.

* * *

Banks in the News

PROBABLY the banks never realized just how little they get into the news until they found the country flooded with expressions of opinion regarding Premier M. F. Hepburn's expansion of Ontario savings office depositories. Every day for the past few weeks there have been editorials and news items appearing in newspapers, small and large, all across the province. Some, of course, come out to support the Premier, but the majority seem to think the banks furnish a satisfactory deposit system already.

* * *

Staff Changes

The Canadian Bank of Commerce announces the following staff changes: H. E. GEDDES, formerly assistant manager at Winnipeg, has been appointed manager at Sault Ste. Marie.

R. G. HOPKINS, formerly accountant at Vancouver, has been appointed assistant manager at Winnipeg.

Monthly Bank Clearings

	June, 1934	June, 1935
Halifax	$9,434,623	$10,065,177
Saint John	6,883,136	6,589,322
Moncton	3,012,800	3,439,331
Sherbrooke	2,644,316	2,590,410
Kingston	2,323,912	2,352,249
Peterborough	2,671,495	2,567,442
Hamilton	16,876,976	17,012,104
Kitchener	4,366,070	4,398,817
Brantford	3,428,943	3,684,792
London	11,416,720	13,026,826
Windsor	9,768,614	10,315,239
Sarnia	2,028,457	2,356,963
Sudbury	3,093,296	3,306,484
Ottawa	18,658,611	168,181,392
Fort William	3,220,149	2,983,106
Winnipeg	239,264,911	183,633,015
Brandon	1,337,263	1,232,734
Regina	12,386,126	12,355,709
Moose Jaw	1,869,673	2,076,772
Edmonton	15,819,703	16,089,401
Calgary	20,549,016	22,183,151
Medicine Hat	842,792	985,462
N. Westminster	2,100,613	2,137,745
Vancouver	61,202,827	63,735,796
Victoria	6,099,714	6,647,701

Banks' Earning Position Still Unfavorable in May

Credit Index Moves Up—Holdings of Bank of Canada Notes Decline—Increase in Long Term Government Securities

The trend to lower bank earnings was further extended in May, the combined statement of the 10 chartered banks reveals. Loans again declined, and while holdings of short term government securities have been reduced, this decrease has been more than offset by an increase in long term government bonds. Consequently more available funds are being removed from lucrative commercial investment and placed in high-grade but low interest bearing securities.

More active international trade is indicated by the increase in balances due from banks outside Canada, and also by a substantial rise in foreign deposits.

Bank of Canada notes held declined during the month by $12.6 millions.

The Financial Post credit index, based on the percentage of call and current loans in Canada to total Canadian deposits, moved up in May for the first time in eight months. The upturn, while slight, served to halt for the time being at least, a decline which has been interrupted but temporarily since 1930. It may also mean a flattening out of the downward trend in earnings.

Use of Bank Credit in Canada

	May 1935	April 1935	Ch.	May 1934	Ch.
Loans	1,053.4	1,031.9	— 8.5	1,140.4	— 87.0
Inv'ts	1,004.5	1,000.4	+ 4.1	830.1	+174.4
Total	2,057.9	2,062.3	— 4.4	1,970.5	+ 87.4
Depos.	2,007.7	2,033.6	—25.9	1,900.0	+107.7

The above table illustrates even more clearly the movement away from loans and to investments. Deposits, particularly demand deposits, fell off sharply during the month, but are still well above the level of a year ago.

	May, 1935 $	April, 1935 $	Change $	May, 1934 $	Change $
ASSETS					
Immediately Available Liquid Assets					
Canadian coin	6,146,020	6,647,485	+ 501,465	‡186,925,375	+ 17,111,568
Bk. of Can. notes	30,918,068	43,469,063	— 12,550,995		
Bk. of Can. depos.	166,972,855	163,714,390	+ 3,258,465		
Bank's cash	204,036,943	213,830,938	— 9,793,995	186,925,375	+ 17,111,568
Other bank notes	5,970,740	7,186,892	— 1,216,152	8,616,427	— 2,645,687
Gold abroad	9,176,257	9,186,912	— 10,655	9,543,512	— 367,255
Foreign banks	116,284,653	96,350,366	+ 19,934,287	83,580,295	+ 32,704,358
Foreign curr.	20,636,673	20,521,972	+ 114,701	20,494,943	+ 141,730
Gvt. sec. short term	418,368,763	435,271,396	— 16,902,633	646,060,592	+189,348,938
Do., long term	417,040,767	390,425,451	+ 26,615,316		
Call loans abroad	71,213,244	76,999,128	— 5,785,884	121,722,901	— 50,509,657
	1,262,728,140	1,249,773,055	+ 12,955,085	1,076,944,045	+185,784,095
Loans and Securities Other Than Those of Canadian Government					
Municipal secs.	91,823,431	95,202,136	— 3,378,705	140,996,554	— 11,472,882
Public secs.†	37,700,241	40,483,557	— 2,783,316		
Other secs.	39,579,983	39,026,220	+ 553,763	43,006,515	— 3,426,532
Can. call loans	81,981,322	81,333,299	+ 648,023	103,409,514	— 21,428,192
Current loans	824,125,882	823,135,289	+ 990,593	874,716,290	— 50,590,408
Loans abroad	147,811,034	144,330,881	+ 3,480,153	138,372,088	+ 9,438,946
Prov. loans	26,872,840	29,648,153	— 2,775,313	31,183,157	— 4,310,317
Mun. loans	120,428,163	127,837,970	— 7,409,807	131,120,284	— 10,692,121
	1,370,322,896	1,380,997,505	— 10,674,609	1,462,804,402	— 92,481,506
Other Assets					
Non-curr. loans	14,462,973	14,482,465	— 19,482	13,857,028	+ 605,945
Real estate	8,640,970	7,994,682	+ 646,288	7,676,361	+ 934,509
Mortgages	5,523,362	5,520,907	+ 2,455	6,066,382	— 543,020
Premises	76,707,574	77,402,175	— 694,601	78,264,386	— 1,556,812
Letters of credit	52,963,808	52,463,614	+ 500,194	50,975,045	+ 1,988,763
Loans to comp.	13,123,737	13,274,823	— 151,086	13,410,527	— 286,790
Other assets	3,158,778	2,780,023	+ 378,755	2,007,716	+ 1,151,062
	174,581,202	173,918,689	+ 1,662,513	172,257,548	+ 2,323,654
Total	2,807,632,238	2,804,689,249	+ 2,942,989	2,703,389,571	+104,242,667
Note circ. dep.	6,727,010	6,727,010	....	6,516,039	+ 210,971
Int. bank bal.	100,441,407	117,184,802	— 16,743,395	121,686,711	— 21,245,304
Gross	2,914,800,655	2,928,601,061	— 13,800,406	2,831,592,321	+ 83,208,334
LIABILITIES					
To the Public					
Circulation	122,447,222	121,419,937	+ 1,027,285	127,348,127	— 4,900,905
Dom. Govt.	23,726,986	15,136,688	+ 8,590,298	31,899,315	— 8,172,329
Prov. Govt.	32,452,983	37,059,966	— 4,606,983	32,132,068	+ 320,925
Bank advances	....	....	....	38,444,000	— 38,444,000
Deposits by Public					
Demand dep.	561,208,233	581,864,422	— 20,661,189	532,528,434	+ 28,679,799
Savings dep.	1,446,488,415	1,451,711,330	— 5,222,915	1,367,515,700	+ 78,972,715
Total	2,007,696,648	2,033,575,752	— 25,884,104	1,900,044,134	+107,652,514
Foreign dep.	339,861,668	328,411,169	+ 11,450,499	323,089,925	+ 16,771,743
Due to Banks Abroad, Etc.					
United Kingdom	8,044,805	6,615,320	— 1,429,485	5,261,791	+ 2,783,014
Foreign	24,279,787	24,805,397	— 525,610	24,591,081	— 311,294
Bills payable	886,159	726,140	+ 160,019	813,584	— 72,565
Letters of credit	52,963,808	52,463,614	+ 500,194	50,975,045	+ 1,988,763
Other liabs.	2,404,781	2,387,549	+ 17,232	2,401,443	+ 3,338
Total public liab.	2,614,784,847	2,622,601,532	— 7,816,685	2,537,000,523	+ 77,784,324
Due bet. banks	11,609,998	13,615,062	— 2,005,064	15,304,639	— 3,694,641
Liability to Shareholders					
Dividends	2,946,422	1,846,854	+ 1,099,568	2,446,759	+ 499,663
Reserve	132,750,000	132,750,000	......	132,500,000	+ 250,000
Capital	145,500,000	145,500,000	......	144,500,000	+ 1,000,000
Gross	2,907,571,319	2,916,313,448	— 8,742,129	2,831,751,921	+ 75,819,398
Credit index*	45.1%	44.4%	+ 0.7%	51.4%	— 6.3%

‡ Gold, coin and Dominion notes in Canada.
* Ratio of current and call loans in Canada to demand and savings deposits in Canada.
† Other than Canadian.

Trading Volume Lighter on Montreal Exchanges

MONTREAL. — Transactions on the Montreal Stock Exchange and the Montreal Curb Market totalled 1,720,544 shares in June as against 2,175,640 shares in May, a decrease of 455,096 shares. In June 1934, 2,239,681 shares were traded.

Shares of industrial issues totalled 387,545 shares, compared with 570,338 shares in May and 386,434 shares in June a year ago. The turnover in mining stocks amounted to 1,332,999 shares, which compares with 1,605,302 in the previous month and 1,853,247 in the corresponding period of last year.

Agriculture Gains

Reaching the highest level since 1930, Canada's gross agricultural revenue in 1934, given as $931 millions, as compared with the revised estimate of $803 millions for 1933, shows a gain of 16 per cent.

Weekly Bank Clearings

	June 27, 1935 $	Change year ago %	June 20, 1935 $
Halifax	1,880,654	—5.5	2,314,877
Saint John	1,473,550	+4.2	1,585,225
Moncton	1,098,948	+37.7	766,406
Sherbrooke	542,080	—7.0	587,294
Quebec	3,332,754	+5.4	4,014,323
Montreal	93,574,189	+17.3	91,659,460
Ottawa	20,745,994	+437.7	23,655,933
Kingston	543,479	+3.7	511,970
Peterborough	577,047	—2.6	623,606
Toronto	113,631,859	+22.1	124,273,008
Hamilton	3,824,157	+5.4	4,060,860
Kitchener	972,136	+16.5	1,008,326
Brantford	755,186	+15.6	954,498
London	2,356,530	—0.2	3,013,721
Chatham	380,011	—10.6	437,784
Windsor	2,303,538	+20.4	2,466,173
Sarnia	541,650	+39.8	547,433
Sudbury	916,235	+18.1	739,007
Fort William	925,525	+15.2	652,302
Winnipeg	37,368,675	—13.2	53,447,127
Brandon	277,114	—10.6	297,217
Regina	2,631,282	+6.5	2,913,146
Moose Jaw	449,863	+15.8	477,587
Saskatoon	1,356,695	+33.7	1,360,355
Prince Albert	368,840	+69.7	365,138
Edmonton	3,541,488	+12.3	3,761,716
Calgary	5,099,400	+13.1	5,323,278
Medicine Hat	197,437	+1.7	244,636
Lethbridge	411,972	+21.1	519,487
N. W'minster	477,295	+5.9	510,803
Vancouver	14,579,498	+9.3	16,182,421
Victoria	1,452,393	+16.2	1,506,149

Royal Bank Director

RAY LAWSON

President of Lawson & Jones, London, Ont., and associated with a number of business enterprises in Eastern Ontario, who has been elected to the Board of the Royal Bank of Canada.

SMALLER DEFICITS REPORTED IN 1934 BY GOVERNMENTS

On a strictly comparable basis, there was a measurable improvement in current account deficits of the Dominion and the provinces in the fiscal year 1933-34, according to figures compiled by A. E. Ames & Co. It is shown, however, that net addition to debt was greater than in 1932-33.

Improvement is not noteworthy unless allowance is made for changes in accounting practice. For example, $16.9 millions of Ontario unemployment relief charges have this year been carried in current account, in place of capital account as in previous years. This is termed "sound practice" in the Ames monthly letter. If this amount is carried to capital account for purposes of comparison, current expenditures would amount to $528.7 millions in 1933-34, as compared with $533.2 millions in the previous year. The current deficit would then be reduced to $47.9 millions as against $67.5 millions.

Debt Up $239,000,000

Aggregate net debt of the 10 governments at $4,179 millions was up by $239 millions from the previous year, as against an increase of $223.2 millions in 1932-33.

Compilation of the figures is necessarily delayed by lack of uniformity in the various provinces with regard to fiscal year ends, and delays in issuance of public accounts.

Statistics for 1933-34 and comparative figures for the preceding year are as follows:

Current Accounts of the Dominion and Provinces

	1933-34 $	1932-33 $
Current rev.	480,856,403	465,538,397
Int. on debt	193,045,689	178,188,915
Debt retire.	4,218,467	4,171,727
Other curr. exp.	348,331,996	350,851,290
Total curr. exp.	545,596,152	533,214,932
Curr. deficit	64,739,749	67,676,535
Chief capital items:		
Relief	84,666,763	77,661,138
Highways etc.	23,406,606	24,467,387
Public bldgs.	698,581	3,055,271
C.N.R. deficit	52,263,819	53,422,668
Incr. in net debt	238,967,540	223,240,004

The following is the debt comparison:

	1933-34 $	1932-33 $
Net total debt*	4,178,732,076	3,939,764,538
Conting. liabs.†	1,226,538,844	1,162,831,713
Total net debt	5,405,270,922	5,102,596,251

* Excluding open accounts payable but including duplicated debt of $51,314,181 in 1933-34 and $32,354,936 in 1932-33, represented by provincial treasury bills.
† Excluding duplicated contingent liabilities.

CHEQUE DEBITS UP 17 PER CENT MONTH OF MAY

Gains Recorded in All Areas, Except British Columbia

Cheques debited to individual bank accounts in May in the 32 main clearing centres of Canada scored a gain of 17 per cent over the preceding month. After seasonal adjustment, four of the five economic areas of Canada show increases. Only in British Columbia was a small decline recorded.

Largest gain, after adjustment, was in the Prairies, where debits were up 33.4 per cent. Ontario and Quebec record increases of just over 15 per cent and in the Maritimes the gain was 5 per cent.

Five Months Better

Compared with May, 1934, there was only a slight gain reported. Gains are shown for Ontario, Quebec and British Columbia, with recessions in the Maritimes and the Prairies. For the first five months of the year, however, the situation is reversed. The Maritimes and Prairies show gains, while the other areas report declines. In no case has the change been very great when considered on a five-month basis.

Turnover of bank deposits declined in comparison with May of 1934. While deposits increased by $147,543,000 over the year, there was only a small increase in the amount of cheques cashed against deposits.

The movement of the bank debit index was in line with most of the important indexes of Canadian economic conditions. Bank debit index rose from 98.6 in April to 115.5 in May. Similar advances are seen in the indexes of physical volume of business and manufacturing employment. Common stock prices increased from 86.4 to 93.6, reaching a new high point on the recovery. Commodity prices, however, dropped from 72.5 to 72.3 during the month.

Bank Debits to Individual Accounts

Clearing Centres:	May, 1935 $	May, 1934 $
Maritimes:		
Halifax	23,394,664	26,156,796
Moncton	7,645,163	7,364,216
Saint John	16,448,671	14,169,032
Total—Maritimes	47,488,478	47,690,044
Quebec:		
Montreal	808,402,863	766,847,422
Quebec	44,787,525	43,221,147
Sherbrooke	5,290,844	5,937,307
Total—Quebec	858,481,232	816,005,876
Ontario:		
Brantford	8,407,342	7,464,347
Chatham	6,411,678	6,187,020
Fort William	3,732,694	3,791,729
Hamilton	49,519,788	52,608,593
Kingston	4,541,630	4,511,465
Kitchener	10,595,478	9,207,217
London	31,960,847	30,257,510
Ottawa	140,465,943	194,239,911
Peterborough	5,017,872	4,425,287
Sarnia	5,975,106	8,191,326
Sudbury	4,793,556	4,108,421
Toronto	1,062,265,904	985,103,156
Windsor	26,085,227	21,091,227
Total—Ontario	1,359,773,065	1,331,127,209
Prairies:		
Brandon	2,171,496	2,003,876
Calgary	46,572,529	47,304,483
Edmonton	34,671,859	34,633,797
Lethbridge	3,677,859	3,100,612
Medicine Hat	2,046,372	1,822,650
Moose Jaw	4,123,675	4,060,130
Prince Albert	2,211,017	1,972,943
Regina	72,452,443	59,301,023
Saskatoon	9,644,846	8,998,065
Winnipeg	552,210,557	641,610,530
Total—Prairies	729,782,418	804,808,109
British Columbia:		
New Westminster	4,712,376	4,240,746
Vancouver	113,016,561	105,060,823
Victoria	18,954,489	20,031,320
Total—B. C.	136,683,426	129,332,889
Total—Canada	3,132,208,619	3,128,964,127

Bank of Canada Weekly Statement

Dominion Government short term securities held by the Bank of Canada increased by more than $5 millions during the week ended June 26, 1935. This appears to be an inflationary move on the part of the bank. In addition the advances of the bank to the Dominion Government have also been increased by $1 million. Deposits of the chartered banks increased by $7 millions during the week.

Balance Sheet

Weeks Ending:	June 26 $	June 19 $
Liabilities		
Capital paid-up	5,000,000	5,000,000
Notes in circ.	74,232,193	75,101,358
Dep.: Dominion	26,019,072	25,472,397
Banks	174,557,075	167,599,280
Other	114,221	239,666
Total deposits	200,690,368	193,311,343
Sundry liab.	3,706,562	2,717,562
All other liabs.	623,598	842,260
Total liabilities	284,252,721	276,972,523
Assets		
Reserve: Gold	106,671,415	106,671,415
Silver bullion	1,152,206	1,196,676
Res. in sterling	4,862,327	2,176,748
Res. in U. S.	12,601,749	16,400,193
Res. elsewhere	13,382	13,175
Total reserve	125,301,079	126,458,207
Subsidiary coin	349,566	399,337
Adv. to Govt.	3,706,562	2,717,563
Investments:		
Dom. gov't. short	30,488,378	25,162,762
Other Dom. gov't.	119,959,170	119,959,170
Total invest.	150,447,548	145,121,932
Premises	112,080	110,949
All other assets	4,335,886	2,164,535
Total assets	284,252,721	276,972,523
Reserve ratio	44.23%	46.10%

Foreign Exchange Markets

FOREIGN EXCHANGE AT TORONTO AND MONTREAL

	Par $	June 25	June 26	June 27	June 28	June 29
U. S. dollar, High	.5906	1.00 1/16	1.00 1/32	1.00 1/32	1.00 1/32	1.00 1/32
Low	.5906	1.00	1.00 1/16	1.00 1/32	1.00 1/32	1.00⅛
1934, High	.5906	0.99	0.99⅛	0.98 31/32	0.98 31/32	0.98 31/32
Low	.5906	0.98⅞	0.98 15/16	0.98 31/32	0.98 15/16	0.98 15/16
U. K. pound	4.8665	4.94¾	4.94¾	4.95	4.94¾	4.95
Argentina	.4246	.2651	.2652	.2652	.2652	.2655
Australia	4.8665	3.9512	3.9485	3.9515	3.9497	3.9544
Austria	.1407	.1905½	.1906¾	.1906	.1906¾	.1909
Belgium	.1392	.1691½	.1694½	.1691½	.1698½	.1698
Brazil	.1963	.0550	.0550½	.0550¼	.0550½	.0551
Czechoslovakia	.0296	.0420½	.0420¾	.0420	.0421	.0421
Denmark	.2680	.2212	.2211	.2211¼	.2210	.2213
France	.0392	.0663½	.0663¾	.0663½	.0664¾	.0665
Germany	.2382	.4046	.4049¾	.4048½	.4055¾	.4057
Greece	.013	.0095½	.0095½	.0095½	.0095¼	.0095½
Holland	.4020	.6827	.6833½	.6833	.6845½	.6851
Hungary	.1749	.2981	.2982¾	.2981¾	.2987¾	.2986
India	.3650	.3771	.3763½	.3765½	.3766½	.3745
Italy	.0526	.0829¾	.0829¾	.0829½	.0831¼	.0832
Japan	.4985	.2921	.2917¾	.2911¾	.2917¾	.2920
Jugoslavia	.1929	.0231½	.0231	.0231	.0231½	.0231¼
New Zealand	4.8665	3.9911	3.9882	3.9913	3.9895	3.9942
Norway	.2680	.2489	.2488¼	.2488½	.2486¼	.2491
Poland	.1122	.1909	.1909	.1909	.1910	.1912
South Africa	4.8666	4.9242	4.9207	4.9245	4.9223	4.9282
Spain	.1929	.1375	.1376¼	.1376	.1377¾	.1379
Sweden	.2680	.2556	.2553¼	.2553½	.2552	.2556
Switzerland	.1930	.3281	.3284	.3284	.3289	.3291
Hong Kong	.5422	.5562	.5585	.5608½	.5555	.5558½

1866 1935

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CANADIAN PACIFIC

Approve Amended By-laws Canadian Foreign Invest.

From Our Own Correspondent

MONTREAL. — Shareholders of Can. Foreign Invest. Corp., at the annual meeting, approved a by-law providing that the annual report of the company may be furnished to shareholders not later than six months after the end of the fiscal year. This was necessitated by the amended Companies Act in 1934 which provided for a period of four months but gave shareholders the right to extend this period by resolution to six months. A longer time is required as the company's business is chiefly in Brazil.

By-law No. 1 of the company was also amended to provide for the holding of the annual meetings in June on a date to be fixed by resolution of the board of directors. Financial statement and other matters at the annual meeting were of a routine nature and the board of directors was re-elected without change.

Manitoba Wheat Record

The grading of Manitoba wheat was so high last year that only four per cent of the entire crop was retained as feed for livestock and poultry, 1.5 million bushels out of a total of 37.1 million bushels.

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Position of Chartered Banks of Canada as of May 31, 1935, Shown by Monthly Returns to Minister of Finance

LIABILITIES

NAME OF BANK	Notes in Circulation $	Balance Due to Dominion Government $	Balances Due to Provincial Governments $	Advances from Bank of Canada $	Demand Deposits in Canada $	Savings Deposits in Canada $	Deposits Elsewhere $	Bal. due to other banks in Canada $	Due to Banks in U.K. $	Due to Banks Elsewhere $	Bills Payable $	Letters of Credit outstanding $	Other Liabilities $	§ Dividends Declared and unpaid $	Reserve Fund $	Capital Paid Up $
Montreal	29,059,817	10,131,681	6,706,970	....	151,174,445	401,766,441	65,679,754	2,057,509	1,587,678	3,506,288	91,856	6,608,484	1,717,753	727,414	38,000,000	36,000,000
Nova Scotia	10,786,231	1,164,091	800,803	....	36,126,689	138,539,138	37,955,280	2,024,962	102,238	1,557,040	573,660	5,710,405	132,586	362,592	24,000,000	12,000,000
Toronto	5,125,161	1,484,151	1,368,788	....	24,748,940	67,622,650	....	1,076,783	217,806	1,274,551	....	1,360,026	....	151,217	9,000,000	6,000,000
Provinciale	3,384,246	180,901	180,870	....	5,109,844	33,396,241	....	3,656	....	41,322	....	188,868	9,975	63,788	1,000,000	4,000,000
Commerce	24,964,956	3,347,282	9,392,894	....	115,101,522	294,951,552	47,360,969	1,065,761	927,275	5,690,647	8,874	14,652,955	....	604,287	20,000,000	30,000,000
Royal	29,554,189	4,579,559	10,585,927	....	152,319,925	277,238,962	184,579,532	296,716	899,005	9,741,007	188,730	18,765,071	76,390	711,612	20,000,000	35,000,000
Dominion	6,092,993	995,300	569,145	....	28,226,863	65,942,099	3,358,569	3,077,312	215,660	410,688	11,317	3,149,542	360,326	175,780	7,000,000	7,000,000
Nationale	6,551,764	122,983	1,254,775	....	20,281,777	82,928,450	927,564	585,763	12,143	233,424	....	825,375	107,751	146,898	5,000,000	7,000,000
Imperial	6,641,735	1,355,691	1,592,784	....	25,008,281	80,772,724	....	1,048,150	571,093	776,641	....	1,653,423	....	2,834	8,000,000	7,000,000
Barclays (Canada)	286,130	365,347	27	....	3,109,947	3,330,158	....	343,386	3,511,907	1,048,179	11,722	49,659	....	....	750,000	1,500,000
Total	122,447,222	23,726,986	32,452,983	....	561,208,233	1,446,488,415	339,861,668	11,609,998	8,044,805	24,279,787	886,159	52,963,808	2,404,781	2,946,422	132,750,000	145,500,000

SUPPLEMENTARY INFORMATION

NAME OF BANK	Total Liabilities $	Capital Authorised $	Capital Subscribed $	Last Dividend %	*Loans to Directors and firms of which they are partners $	Average Notes and deposits with Bank of Can. $	Greatest amount of Notes in Circ. $
Montreal	754,816,096	50,000,000	36,000,000	8	1,224,477	62,455,409	29,059,817
Nova Scotia	271,835,721	15,000,000	12,000,000	12	2,625,012	19,346,131	11,124,241
Toronto	119,430,078	10,000,000	6,000,000	10	687,842	9,721,379	5,408,271
Provinciale	47,559,715	5,000,000	4,000,000	6	724,024	2,289,043	3,592,481
Commerce	568,098,980	50,000,000	30,000,000	8	4,696,636	41,612,006	26,070,296
Royal	744,536,630	50,000,000	35,000,000	8	2,069,088	37,105,432	31,064,419
Dominion	126,585,601	10,000,000	7,000,000	10	1,246,276	8,165,718	6,404,398
Nationale	125,978,673	10,000,000	7,000,000	8	207,224	8,442,575	6,886,209
Imperial	134,423,360	10,000,000	7,000,000	10	514,870	6,614,675	6,844,545
Barclays (Canada)	14,306,465	1,500,000	1,500,000	....	....	695,754	307,755
Total	2,907,571,319	211,500,000	145,500,000	....	13,995,449	196,448,122	126,757,432

* And loans for which they are guarantors

ASSETS

NAME OF BANK	Gold and Subsidiary Coin Held in Canada $	Gold and Subsidiary Coin Held Elsewhere $	Notes of Bank of Canada $	Deposits with Bank of Canada $	Notes of Other Banks $	Govt. and Bank Notes other than Canada $	Cheques on other banks $	Balances due from other banks in Canada $	Due by banks in U.K. $	Due by banks elsewhere $	Govt. sec. short term $	Govt. sec. long term $	Canadian municipal securities $
Montreal*	1,878,692	207,177	10,929,969	53,623,068	1,407,317	384,689	24,954,708	5,170	7,354,015	23,881,473	192,103,463	117,903,923	16,874,862
Nova Scotia	386,774	1,384,936	2,471,262	14,411,025	454,006	3,030,089	10,392,306	280	254,188	7,058,414	34,081,241	46,263,691	12,746,941
Toronto	214,009	....	1,288,113	11,769,959	349,740	37,317	5,129,804	....	120,328	2,754,198	7,861,036	30,424,301	5,364,551
Provinciale	180,673	....	624,804	1,431,531	253,760	44,143	2,327,700	504,466	33,585	190,014	1,081,965	6,469,436	9,956,941
Commerce†	871,800	258,748	4,085,609	37,053,509	944,455	800,877	18,579,525	12,459	589,948	20,106,522	92,750,437	64,904,064	10,154,742
Royal‡	1,418,055	7,323,902	4,929,367	30,448,374	1,333,521	16,146,485	20,136,750	1,309	10,093,261	34,452,973	69,750,315	80,739,040	6,373,035
Dominion	252,860	825	1,761,804	8,611,499	386,175	71,065	5,503,744	270	983,526	2,871,255	9,040,825	19,821,136	4,420,493
Nationale§	531,752	669	2,435,951	4,677,297	450,490	67,811	3,388,994	946,931	7,046	373,948	9,692,037	17,417,428	19,929,046
Imperial	408,505	....	2,310,762	4,253,930	384,085	52,892	5,874,672	618,643	343,605	1,196,309	835,733	29,779,344	5,823,383
Barclays (Can.)	2,900	....	70,427	692,653	7,191	1,305	665,358	1,398,318	2,703,421	916,624	1,171,711	3,318,404	179,437
Total	6,146,020	9,176,257	30,918,068	166,972,855	5,970,740	20,636,673	96,953,561	3,487,846	22,482,923	93,801,730	418,368,763	417,040,767	91,823,431

NAME OF BANK	Public sec. other than Can. $	Other bonds and stocks $	Call loans in Canada $	Call loans elsewhere $	Other current loans in Canada $	Other current loans elsewhere $	Loans to provincial governments $	Loans to municipalities $	Non current loans $	Real estate other than premises $	Mortgages on real estate $	Bank Premises $	Deposit for note circulation $	Other assets $	Total assets▲ $
Montreal*	3,887,079	4,357,300	4,573,994	24,672,431	178,142,029	6,635,820	5,864,456	46,864,822	3,925,999	632,367	841,812	14,500,000	1,637,307	431,087	755,083,525
Nova Scotia	925,083	9,247,382	5,293,677	2,062,850	79,684,564	13,947,427	1,661,276	9,175,093	817,019	....	102,263	7,446,713	551,825	2,868,379	272,430,137
Toronto	37,543	569,096	4,114,793	....	39,160,857	....	....	5,179,743	441,031	....	43,112	3,594,946	325,275	....	120,139,781
Provinciale	....	2,731,414	4,281,648	....	12,811,533	....	....	1,200,067	136,158	659,841	377,125	2,108,748	192,400	72,341	47,869,176
Commerce†	16,658,775	5,263,492	19,054,270	17,432,569	158,051,449	17,146,774	10,628,210	29,520,234	3,827,275	2,475,597	2,491,535	14,596,611	1,250,000	4,598,463	568,760,915
Royal‡	15,907,240	10,953,298	24,005,909	23,040,473	214,930,535	109,353,853	2,146,362	11,027,408	4,267,843	3,287,597	822,980	16,249,763	1,600,000	7,603,213	747,107,947
Dominion	....	2,379,484	8,450,124	4,004,921	46,570,211	681,152	....	1,183,892	382,370	76,679	36,992	5,900,331	322,092	191,910	127,055,191
Nationale§	284,521	3,919,038	4,649,868	....	36,168,087	46,008	2,371,470	9,552,393	390,073	1,240,414	394,444	5,972,778	369,423	332,349	126,435,654
Imperial	....	124,404	6,701,239	....	56,838,738	....	4,201,066	6,724,511	262,778	268,475	412,099	5,887,684	463,449	184,755	135,604,496
Barclays (Can.)	....	35,075	855,800	....	1,767,879	....	....	....	12,427	....	....	450,000	15,239	....	14,313,833
Total	37,700,241	39,579,983	81,981,322	71,213,244	824,125,882	147,811,034	26,872,840	120,428,163	14,462,973	8,640,970	5,523,362	76,707,574	6,727,010	16,282,497	2,914,800,655

▲Total assets include $52,963,808 letters of credit outstanding, as shown in liabilities.

*The business of the bank in Paris, France, and in San Francisco, U.S.A., is carried on under the name of local incorporated companies and the figures are incorporated in the above statement.—Footnote to Bank of Montreal return.

†The Canadian Bank of Commerce (California) has been incorporated under the laws of the State of California to conduct the business of the Bank in that State and the assets and liabilities of the Canadian Bank of Commerce (California) are included in the above general statement.—Footnote to Canadian Bank of Commerce return.

‡The Royal Bank of Canada (France) has been incorporated under the laws of France to conduct the business of the bank in Paris, and the assets and liabilities of the Royal Bank of Canada (France) are included in the above general statement.—Footnote to Royal Bank return.

§The assets and liabilities of the Banque Canadienne Nationale, France, same being considered a branch operating as a subsidiary of the Banque Canadienne Nationale, are included in above return.—Footnote to Banque Canadienne Nationale return.

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Investment Trusts

Shares Cheapened by Deflation of Prices and Income During Depression Period

The tide appears to have turned for investment trusts in Canada. Those which have weathered the storm of depression appears now in a position to sail forward with the current of recovery.

Probably the most important factor in the success of investment trusts lies in the ability and experience of the management. In Canada the British type of management trust is a comparatively new development. The majority of trusts of this type were put into operation during the boom era preceding 1929. Experienced officials were lacking and the record of many of the trusts was not all that it might have been. Many of the trusts, formed during the boom period, were unable to build up reserves previous to the stock market crash.

Throughout the depression investment trusts were attacked on two sides. Market value of securities held depreciated steadily until the break-up value of individual trusts fell far below the original value. Income from investments in the form of interest and dividends also fell off sharply.

Values and Income

Market value of investments reached their lowest ebb during the dark days of 1932. Since that time there has been a gradual, if slow, improvement. Balance sheets of individual investment trusts reflect this improvement in the years 1933 and 1934.

Income from investments has been somewhat slower in recovering, but in nearly all cases this item too is now definitely on the up grade. As general business conditions improve earnings from this source may be expected to increase.

At the same time as the value of investments and earnings of investment trusts were falling, prices of their own stocks and bonds were also falling. Dividends paid by the trusts were of necessity also curtailed, but here again the downward trend appears to have been halted, if not reversed.

Individual trusts have weathered the storm with varying degrees of success. Many fell by the wayside. Some have been absorbed by bigger and stronger trusts, while others have reorganized their own capital structure on a sounder foundation. These reorganizations, and the adverse post-1929 investment trust experience, were costly to investors. To present day investors, however, the opportunity is given to buy investment trust shares which have been deflated.

Can. General Investments

Canadian General Investments Limited is a consolidation of the assets of Second Canadian General Investments Ltd., and Canadian General Investment Trusts, Ltd. Share capital of the merged trusts was increased to 1,000,000 shares of no par value. As at Dec. 31, 1934, there were 600,589 shares outstanding.

At the end of 1931, following the consolidation, investments of the trust had a book value of over $7 millions and a market value of $4.3 millions. Book values have been reduced, however, to $4.9 millions and on Dec. 31, 1934, the market value of almost $5.3 millions was in excess of the book value. This increase in market value has been continuous since the end of 1932.

Investment Policies

Holdings of the trust are not listed individually, but an analysis is given according to type of securities, geographic distribution and nature of the enterprises represented. Holdings of Canadian General Investments are divided chiefly among bonds, preferred shares and common stocks. Originally there was as high as 26.8 per cent invested in bank and trust company shares, but this percentage has been reduced to 5.8 per cent, in favor of preferred and common shares.

The trust has always invested chiefly in Canadian securities, featuring manufacturing, utilities and oils, but with small representation of practically all fields of industry.

Net income of the trust has declined drastically since 1929, but shows some improvement for 1934 over 1933. Dividends reached a high of $2 per share in 1929, plus a bonus of $1. A low of 35 cents per share was reached in 1933 and is now increased to 40 cents per share.

Canadian General Investments is headed by Right Hon. Arthur Meighen, who took charge following the death of W. W. Evans in 1931. Recently management appears to have been more successful than was the early administration of the trust.

United Corporations

United Corporation was formed early in 1933 as a result of the reorganization of Consolidated Investment Corporation of Canada. The predecessor corporation was formed in 1929 as one of the largest investment trusts in this country. It had a dismal history. Security prices slumped to such a point that by 1932 the market value of the securities fell below the necessary requirements of the trust indenture. On Feb. 15, 1933, the trust defaulted payment of semi-annual bond interest, following which reorganization was effected.

The new corporation, formed in 1933, took over the assets of Consolidated Investment Corp. at depreciated values, and has benefitted by any appreciation in values which has since taken place. Capitalization of United Corporations, as at Dec. 31, 1934, amounted to $4,498,900 outstanding 5 per cent 20-year income bonds, of a total authorization of $10 millions. In addition there is outstanding 64,270 class A and 239,790 class B shares.

Investments, Earnings

Book value of investments at the end of 1932 amounted to $4.7 millions. There has been little change in this valuation, but market value, as calculated by the corporation, had risen to $7,025,496 by the end of 1934.

The corporation has been increasing the percentage of its holdings of bonds at the expense of common stocks. Over 70 per cent of the portfolio is now in Canadian securities, with 10 and 11 per cent in United States and the British Empire, other than Canada, respectively.

Interest on the income bonds has been paid in full. No dividends have been paid on the class A or class B stock, which shares have had infinitesimal earnings.

The trust was sponsored by Wood, Gundy & Co. and was the largest thing of its kind ever floated in Canada.

Economic Inv't Trust

Economic Investment Trust was incorporated in 1927 and the outstanding capitalization consists of $949,500 of five per cent collateral trust bonds due 1957, and 1,966,250 shares of $50 par value common stock.

The trust, like others, has suffered considerable depreciation in the value of its security holdings. However, it appears that this condition is beginning to right itself. The market value of the securities increased to $1,873,435 as at March 31, 1935 from a low of $1,435,233 at the same date in 1932.

Net profits of the trust declined from a high of $132,218 in 1930 to a low of $29,378 in 1934. For the year ended March 31, 1935, the net profit was slightly higher at $30,034. These figures are after deduction of bond interest.

Investments Diversified

Investments of the trust are classified according to type of security, nature of undertaking and geographical distribution. In 1935 there was less than 1 per cent in cash and call loans, 15.6 per cent in bonds and debentures, 39.4 per cent in preferred stock and 44.9 per cent in ordinary and common stocks. Percentage of holdings in the various types of securities has remained approximately constant, with a slight increase in bonds and preferred stocks and a corresponding decrease in common and ordinary stocks. All major industries, including manufacturing, food and beverages, public utilities, banks and financial institutions, are represented in the portfolio of the trust.

During the year ended March 31, 1935, there was a decided switch from American to Canadian holdings. At the end of the year the proportion of Canadian securities had increased to 76 per cent from 60 per cent in 1934. American securities dropped from 32 per cent to 16 per cent of the total holdings.

Dividends of Economic Investment Trust reached a high of $2.50 per share in 1930 and 1931, falling to a low of 50 cents per share for the year ended April, 1934. During the last year payments totalled 62½ cents per share.

The trust has been managed along strictly orthodox British lines. The dividend record is among the best for Canadian investment trusts.

Canadian Investors Corp.

Canadian Investors Corporation was formed early in 1929. Net profits were over $100,000 for the first two years, but fell gradually to $46,826 for the year ending Jan. 31, 1935. This has been a similar experience to other management trusts established just prior to the stock market crash.

Since 1932 the company has reduced its investments and in that year a capital reorganization was put through reducing the stated value of the common stock from $20 to $10 per share. The reduction of capital of $1 millions was used chiefly to set up a capital surplus. The capital consists only of 100,000 common shares.

Book value of $1,544,702 for investments, after deduction of capital and earned surplus, exceeded the market value which stood at $822,401 at Jan. 31, 1935. There has been considerable change in the investments of the trust during the past few years with a tendency to include more common stocks in the portfolio. During the last year shares of an American oil "prospect," Texas Gulf Producing Co., and mining shares of Wright-Hargraves Mines Ltd., were among the new purchases. The trust announced in its annual report for Jan. 31, 1935, a policy of switching from American to Canadian securities is being followed.

Dividends to shareholders of the trust have been reduced to 40 cents per annum in the past two years. The yield amounts to less than 1.6 per cent on the original investment. Shares of the trust are being offered at $6 or less per share at the present time.

The trust was sponsored by McLeod, Young and Weir, Toronto investment dealers.

Dominion Scottish

Another of the pre-depression investment trusts is Dominion Scottish Investments Ltd. It was formed in 1929 with an authorized capital of $5 millions of 5 per cent cumulative, preferred stock, par $50 and 200,000 shares of common stock of $1 each. As at May 31, 1934, there was outstanding $2,985,000 of preferred stock and 60,000 shares of common.

The trust has been gradually enlarging its holdings of Canadian securities at the expense of United States stocks. Market value of investments reached a low of $1.2 millions in 1932, but had improved to $2.1 millions by May 31, 1934.

Percentage of holdings in the various types of investments have shown a leaning toward common stocks. Common stocks in 1934 made up 58 per cent of the holdings, preferred shares were 24 per cent and bonds 18 per cent of the total.

Some improvement is indicated in the earnings of the trust for the year ended May 31, 1935, by the fact that dividends have been increased from $1 to $1.25 per preferred share. This disbursement amounts to a rate of 2½ per cent on the preferred.

Dominion-Scottish Investments offered its stock in Great Britain. It is managed by experienced Canadian business and financial men with the advice of Canadian and British advisory committees.

Corporate Investors

Corporate Investors Ltd., is one of the younger investment trusts, having been established early in 1932. Securities were therefore bought when prices were low. The trust was expanded considerably in May, 1933, when the assets of Transamerica Corp. were absorbed. The trust has been developed along conservative British lines and while growth has been considerable the trust is one of the smaller ones operating in Canada. Its capital is entirely of common shares.

The first balance sheet of the trust was issued for the year ended April 30, 1933. At that time investments at cost, not exceeding market value, amounted to $36,546. A year later investments were shown at $116,738 and on April 30, 1935, the total had reached $213,795. Market value in 1935 was about $228,000. During 1934-35 there was a considerable switch in the portfolio of the trust. All public utility bond holdings were disposed of in January, 1935, and common stocks were increased to 44 per cent of the total holdings. Practically all holdings are of Canadian firms. Net income for the year ended April 30, 1935, amounted to $6,825 compared with $3,223 for the preceding year. This increase is chiefly due to the increase in capital and hence in investments and partly to the increased dividends and interest received.

Early in 1935 the offering price of the common stock to investors was increased from $6 per share to $6.25 per share. The total number of outstanding shares at April 30, 1935, was 41,046 shares.

Quarterly dividends were increased Feb. 15, 1935, from 4 to 5 cents per share, giving a yield of just over 3 per cent per annum on the present price of the shares. The company's management has been free from domination by security dealers.

WAR ON WASTE

TENDERS have been called for alterations and additions to the Dominion public building at Melfort, Sask., which contains "the armory." The cost has not yet been disclosed.

Explanation of the purpose of this expenditure given in the House was that it is to provide "adequate accommodation for the Post Office Department and the National Defense Department." The work was requested by the Melfort board of trade in 1931 and by the Post Office and National Defense deparments in 1934.

Alterations and additions to the building should at least make it a better place for New Year's dances and political harangues. Perhaps the extensions are necessary to provide protection from a farm uprising against the National Products Marketing Act of Hon. Robert Weir, Minister of Agriculture. Mr. Weir might be able to explain whether business in Melfort is so brisk that a larger post office is needed and against what invasion the town needs more defense at the public expense. It's his riding.

Comparative Figures Show Investment Trust Values

With the exception of Corporate Investors, securities of all the investment trusts treated in this article are selling at above the "equity" or "break-up" value. Market price of United Corporations bonds and stocks are farthest below the break-up value, but this may be due to value of investments held being assessed on less active markets than is the case for some of the other trusts. Also the earnings on United Corporations shares have been insignificant. Comparative figures follow:

Company:		Equity $	*Market Value $	Earned $	Paying $
Can. Gen. Inv'ts.	Com.	8.96	6.20-6.35	.40	.40
Can. Investors	Com.	8.24	5.00-6.00	.38	.40
Dom.-Scottish	Pfd.	35.14	21-22	1.20	1.25
	Com.		(units)	nil	nil
United Corps.	5% bonds	1,765	82½-83½	5.05%	5%
	Class A	53.53	13½-14½	.02	nil
	Class B	5.55	3¾-4¼	nil	nil
Econ. Inv't.	5% bonds	1,936	89-94	8.25%	5%
	Com.	22.26	15-16	.75	.62½
Corp. Investors	Com.	5.55	6.25	.17	.20

*Information based on latest available financial statements of individual companies. Market values represent bid and asked quotations.

E. D. Gooderham

New Director Bank of Toronto and Canada Permanent Carries on High Family Tradition

By WELLINGTON JEFFERS

To be appointed a director of the Bank of Toronto is an honor. It is also a feather in the cap of any business man or financier to be elected a director of the Canada Permanent Mortgage Corp.

But to have the two honors handed to one man almost on the same day is, to say the least, most unusual. It happened recently to E. D. Gooderham.

So silently effective has this man been in his business and personal relations that the general public receives in this announcement practically the first intimation that during the past quarter of a century this member of an outstanding Toronto family has been "up and coming" in a way that fits him to sit in the seats of the mighty.

Trained 26 Years

Of course, it is not his first honor. There has been a training ground on which he has proved himself for 26 years. He has been and is a director of Hiram Walker-Gooderham & Worts and he is a director of the Dominion of Canada General Insurance Co.

Mr. Gooderham brought experience, a cool detached judgment and a high degree of common sense to each new position and appointment in turn. He has that type of mobilized brain which enables a man to work effectively at his own task and to keep liaison with others. He has a high regard for the good qualities of other men. A characteristic remark whenever he has been appointed to a board or placed in a new position has been, "I hope to learn a great deal." He does learn a great deal quickly and will always be learning however long he lives. His fellow directors value him most of all for the personal contributions he brings in character, experience and tried ability.

E. D. GOODERHAM

His background, heredity and environment have been exceptionally favorable. To be a Gooderham is almost to have a passport to fame in Toronto. This is because so many Gooderhams of this family have made money by their business ability and enterprise since Toronto came into being and have used that money to advance philanthropic, educational and public projects of great merit.

One such was the late Sir Albert Edward Gooderham whose contributions in war and peace were invaluable to Canada and the Empire.

Takes Sir Albert's Place

And it is Sir Albert's place on the Bank of Toronto and Canada Permanent boards that E. D. Gooderham has been selected to fill. The boards of these two great companies probably would have wanted a Gooderham in any case because of the financial and public prestige that has gathered around the name. But that would not have been enough if the Gooderham they selected did not have those qualities which Toronto has come to look for in outstanding members of that family. There were other Gooderhams who had proved themselves abundantly, and the choice of E. D. Gooderham is all the more interesting for that.

E. D. is not the only Gooderham on these boards. The president of the Bank of Toronto as well as of the Canada Permanent Mortgage Corp. and the Canada Permanent Trust Co. is W. G. Gooderham, 82 years of age. He had nine sons, of whom E. D. was one, and two daughters. He is an octogenarian whose reputation for keenness of vision, grasp of affairs and shrewd common sense is still growing with the years. He is one of the chief contributors to the Gooderham legend. So was Sir Albert and so was his father, George, who used to say, "If your word is not as good as your bond you might as well be 6 feet underground." Four generations have contributed to the building of the legend and the mantle is apparently falling now on E. D. Gooderham to keep up the good work.

Went to Ridley

The education of the new director was much the same as that of other young Torontonians whose parents had money enough to send them to a private school. That is, it was much the same up to a point. He went to Ridley College at St. Catharines in 1900 when he was 11 years old. He stayed there until he was 19 years old and played vigorously at cricket, hockey and football while he accumulated school lore. He developed as well a love and loyalty toward that school which has never wavered. In fact, as a Governor of Ridley College his loyalty now burns more strongly than ever. It is doubtful if any Canadian not a relative ranks as high in his affections as his old class-mates.

At 19 years of age he left Ridley College and did not go on to the university as many of his classmates did. His father and he both believed that, if business was to be his life vocation, it was an excellent thing to plunge into it while his mind was most impressionable and to learn the lessons of business and finance by actual contact with them. He entered Hiram Walker-Gooderham & Worts and in course of time became business manager. He occupied that position until 1924 when expanding interests led him to his present large office on the second floor of the Gooderham building at 49 Wellington St. East.

Should Start Business Early

In a recent conversation The Financial Post asked Mr. Gooderham if he thought that it was best for young men generally to go straight into business at from 18 to 20 years of age. In other words, were their chances for success as great as though they waited first to have a university education?

"My experience," he said, "is that most young men do better for themselves in a financial way eventually by getting right to work in a business they like unless they desire a professional career of some kind. He gets four or five years of valuable training at an age when he can easily absorb it, and he is that much ahead of what he would have been if he went to the university. I am not decrying the advantages of a university training for many things but as a preparation for business it has manifest disadvantages. A young man comes out too often with ideas about life that he has to unlearn before he can get the right orientation to business life. One is not a continuation of the other. The young man has to come back to the cross-roads and start out on another road."

"But you went to Ridley College," he was reminded, "Would you not for business purposes have got as good an education at a high school in Toronto, and could not any young man?"

"Well, having gone to Ridley I may be prejudiced in its favor," he answered. "It seems to me that the principal thing one gets from such a school is to learn to play the game. The school spirit, that is, the willingness of each to pull with the others for the advantage of all is an excellent preparation for life. That is what is needed in every organization that wants success. In fact, it is true of nations as well. And it is the way for the young men themselves to go ahead.

"The games teach team play. The fact that one lives with his class mates year after year under the same roof and with constantly enlarging objectives is of immense benefit. And the codes of honorable dealing there taught are needed in business. And a young man needs them to succeed in good business."

Fishes and Plays Golf

Mr. Gooderham plays golf at the Rosedale Golf Club but his passion is fishing. There are only 15 members in the Nekabong Fishing Club which has rights on a Quebec River about 20 miles from Pembroke, Ont. There the speckled trout are plentiful and the fishermen love them both in life and death.

Experts assure us that banking, insurance and making mortgage loans are faint, die-away careers beside that of the true fisherman. But E. D. Gooderham shows that one man can make good at all four and enjoy them all.

"How's your golf?" he was asked recently.

"Rotten!" he answered promptly.

Well, perhaps his golf is rotten. This deponent hath not seen it nor talked with anyone who has watched it. But he does know that fine days often find E. D. Gooderham on the links and it cannot be entirely a love of nature and the open air. Once he sailed assiduously but now he spends more time at golf. So perhaps those of us who have not seen his game may be permitted to sit back and wonder if, after all, his game of golf is so rotten as he said. This is one place where, despite one's desire to believe the best of everyone, a doubt creeps in as to whether or not his word on this point is as good as his neighbor's.

ALUMINUM CO. STARTING WORK ON NEW PLANT

Spending Million on Unit to Treat Bauxite in New Way

From Our Own Correspondent

MONTREAL.—Construction of a plant at Arvida, P.Q., involving an expenditure of approximately $1 million has been commenced by the Aluminum Co. of Canada.

The new plant will treat bauxite—the ore from which aluminum is made—by a chemical process successfully used in other countries but not hitherto employed in Canada.

Engineering work on the new plant is well advanced and the several contracts, including one for approximately 1,000 tons of structural steel to the Dominion Bridge Co., have been let to firms in Quebec and Ontario. By March of next year, it is estimated, the plants will be ready for operation.

As no bauxite or other ore of aluminum occurs in Canada, supplies of that material for the new plant will be brought direct from British Guiana as is the practice at present. About ten cargoes, of which one cargo is now en route, will be imported through Port Alfred during the current season of navigation to provide supplies needed before the opening of navigation next year. In future importations of bauxite will be at a much higher rate.

Inflation and Bonds

Creditors Stand to Gain Less or Lose More Than Others —But there are Compensations

One of the adverse results of inflation is that it may diminish the real value of certain forms of savings.

This is the investor's worst fear of inflation.

Bondholders, pensioners, annuitants, mortgagees, who depend chiefly upon fixed incomes for their bread and butter, may stand to suffer from any inflation which has the effect of raising the general cost of living.

On the other hand, the circumstances of individuals and the divergencies of the investment of their savings may provide an unsuspected protection against inflation hazards. It is possible, for instance, that some forms of inflation may actually be advantageous to certain bonds and mortgages.

Safest Can Be Worst

In an exaggerated inflation, the mortgage, pensioner or bondholder may lose his all. The things which are normally the safest investments, cash and government bonds, can become the most worthless.

A story of the post-war German inflation illustrates the point. Two brothers received their respective inheritances. One was cautious and thrifty. He put his money into the best government bonds. Then inflation came. German money and German bonds became worthless as purchasing power. He lost everything. The other brother was a wastrel. He squandered his inheritance in wine. He spent everything and accumulated only a cellar full of bottles. When the inflation came, his empty bottles were actually worth more than his brother's bonds.

This type of inflation, however, is not considered likely in Canada or British countries. The worst sort of inflation that has been experienced in British countries in modern times was that of the Great War. Few authorities would venture to predict another such inflation in Canada in time of peace. The war-time experience of holders of bonds, pensions and mortgages, however, is worthy of examination.

What Happened to Bondholder

In 1914 the Canadian holder of a 3½ per cent government bond had a security which was worth about 100 cents on the dollar in the open market. He could sell it for about 100. By 1920, the bond would bring only about 72 per cent of its face value if sold. The cause was the rise of interest rates occasioned by the increased demand for money during the war.

The purchasing power of the interest received from the bond fell further than the price of the bond itself. Retail prices were about 88 per cent higher in Canada in 1920 than they were in 1914. In other words, the purchasing power of the bondholder's fixed income had shrunk to 53 per cent of the 1914 buying power.

Thus, the holder of a $1,000 bond in 1914 found that by 1920 it was worth only $720 in cash. And this $720 would only buy as much at retail as $380 would have done in 1914. The income of $35 on the bond would buy only slightly over half what it would in 1914. In the same way the annuitant, pensioner and mortgagee found that their fixed incomes were actually reduced in purchasing power between 1914 and 1920.

It is noteworthy that the 1914 holder of a 3½ per cent government bond can today get a higher price for it than in 1914. His income from the bond will buy nearly as much as it did before the war. The wheel has turned full circle.

What May Occur

It has been emphasized before, however, that the sort of inflation which may develop under present conditions may not be the type that occurred during the war. There is no scarcity of food and other materials. Hence, costs of living may not rise as much as they did between 1914 and 1920, in the inflation which many authorities now expect.

For the bondholder, mortgagee, pensioner and annuitant, the experience of loss of purchasing power in Canada between 1914 and 1920 may be the very worst that could be expected. Developments may be considerably less harmful to such persons than they were during the war.

Government Bond Prices

It must also be remembered that the recipient in 1920 of a fixed income is much better off in 1935 than he was 15 years ago. His bonds are worth more and his annuity, mortgage interest, or pension will purchase more. Thus, a moderate rise of retail prices might only have the effect of putting many holders of fixed incomes back where they started. Even this, of course, would be a loss from the present position.

The first consideration in the mind of holders of government bonds today is whether high prices will be maintained. It depends, of course, upon whether interest rates can be held at their present low level. Arthur B. Wood, president of the Sun Life Assurance Co. of Canada, looks for an eventual rise of interest rates. Recently he stated: "As recovery assumes more impressive force, bringing money into greater demand, the tendency will be, of course, as it has been throughout economic history, for interest rates to increase."

In this connection, it should be noted that in the North American inflation of 1927-29, which was directed into the stock market, bond prices softened. It was due to rising interest rates occasioned by demand for money in the stock market. Hence, there is some possibility that history may repeat itself in making money more costly if demand for it revives, as Mr. Wood suggests. This would tend to depress values of government bonds. Such a trend, however, may take some time to develop. Significant to bondholders, moderate depreciation in the value of their gilt-edged holdings might be of minor importance, as long as the income does not deteriorate materially in purchasing power.

Inflation Affects Security Values

Credit inflation in Canada during the war reduced the market value of gilt-edged bonds and also cut the purchasing power of the bondholder's fixed dollar income. This is shown in the following:

War-time Inflation in Canada
(Indices, 1914 = 100)

	1914	1920	Change %
Bond prices	100	72	—28
Retail prices	100	188	+88
Buy. pwr. of $1	100	53	—47

In the war period, the general level of common stocks did not rise nearly as much as either retail or wholesale prices. The reason was that the Dominion Bureau of Statistics stock index was weighted heavily for utilities and financial stocks. Industrial stocks, however, rose sharply. After the war they had a collapse. War-time inflationary changes are shown below:

	1914	1920	Change %
Wholesale prices	100	238	+138
Common stocks	100	110	+10
Industrial stocks	100	170	+70

Where Inflation May Help

Turning to mortgages and to bonds of a less secure character than high-grade government issues, it appears that there are cases in which a little inflation might actually be helpful to investors in such securities.

In Western Canada, for instance, the position of creditors has actually been improved by higher grain prices and prospects of better crops. Mortgage companies operating in Western Canada have found their position exceedingly difficult in recent years. Low prices and poor crop conditions have caused collections of principal and interest of mortgages to fall precipitately. Some recovery of prices has helped mortgagees. Testimony of this is shown in the experience of North of Scotland Canadian Mortgage Co., whose last annual report stated:

"The revenue account this year shows considerable improvement, collection of interest on mortgages being 40 per cent higher (than in 1933). Crop 1934 was, owing to drought, no better than the previous year's crop, but the price of wheat increased from 12 to 15 cents a bushel, and this had the effect of increasing the collections."

Rural, Urban Mortgages

Persons holding mortgages on farm property are directly benefitted by increased safety of their investment caused by price recovery. Further indirect benefits may be reaped by holders of urban mortgages and investors in municipal bonds in areas where unusual price depression has rendered the investment insecure or has caused default.

In Western Canada, for instance, the prosperity of large and small municipalities depends very largely upon grain crops and particularly on the price of wheat. Whether inflationary or otherwise, higher wheat prices enable western debtors to pay what they owe. The consequence of this is that municipal taxes are easier to collect, municipalities are better able to pay their interest and principal. Better business in the cities improves the earning and paying power of urban property. All this is to the benefit of investments in mortgages and bonds in Western Canada.

Real Estate Bonds

Real estate bonds, most of which are in default at present, might stand to gain, at least temporarily, from business improvement, whether it comes more or less of its own accord, or whether it is engendered and encouraged by credit inflation.

Dominion Square Building, Montreal, is an example. The depression deflation caused demand for office space to dwindle and rents in Montreal to decline. The building finally defaulted bond interest. It is still in arrears of interest, but is paying coupons intermittently when accumulation of earnings warrants it.

If business were to improve materially in Canada, demand for office space would increase. This would tend to make rents firmer. A rise of interest rates caused by increased commercial demand for money might also tend to increase rents. The effect on bonds of Dominion Square Corp. would be to improve revenue. Bondholders might stand to receive not only current interest but arrears also. This is not yet in sight, of course, otherwise the bonds would not be selling as low as 65. It illustrates, however, that moderate inflation and improved business may benefit holders of real estate bonds. There is a large number of investors holding similar securities which are in total default or in arrears of interest.

Commodity Bonds

There are also bonds of food and milling companies which are in complete or partial default. Burns & Co. five per cent bonds and income bonds, for instance, would stand to gain from rising meat prices and increased demand in Canada and abroad. Credit inflation to the benefit of general business conditions might have the effect of improving the prospects for holders of Burns bonds materially.

Then there is Maple Leaf Milling Co. It is paying half its interest in cash, half in new preferred shares. The big "if" in its position is export flour. The company has not been having satisfactory experience. Provided Canada's surplus wheat were cleaned up, inflation which brings higher grain and flour prices might help the company and its bondholders.

This is a case where the discrepancy of prices between Winnipeg and Liverpool hurts the company. If this discrepancy were removed and higher prices or even stable prices for wheat and flour were achieved in Great Britain and Canada, the company could earn higher profits and would have less difficulty in paying its bond interest. Unless some such development occurs, in fact the company's position might get worse.

Textile Bonds

Mercury Mills and Dominion Woollens & Worsteds are two textile firms whose bonds have been sharply depressed. This is partly due, of course, to unfavorable conditions within the individual companies. It is also due to low prices for wool and other textile materials and to relatively poor sales.

If credit inflation revives business, creates more employment, larger payrolls, and higher prices, these companies should be able to do better for their bondholders. In both cases the consequence would be to improve the prices for the bonds which sell at heavy discounts. For Dominion Woollens, it might mean increased income for its mortgage holders.

Newsprint Bonds

Many millions invested by Canadians in newsprint bonds might be recovered if credit inflation were able to restore even slightly higher prices for paper. As in the milling industry, however, there is no scarcity of the product in sight. Hence early price rises are not expected. For this reason, bonds of newsprint firms are among the most heavily depressed in Canada.

Bondholders in some cases are the actual owners of the properties. Thus, they are more in the position of equity holders than of fixed-income creditors. Hence, credit inflation could hardly make the position of these investors worse than it is. Any inflationary rise in the price of newsprint would be beneficial to many investors in newsprint bonds.

Great Lakes Paper Co. first mortgage bonds, selling at about 36, exemplify the position of various newsprint securities. This company, however, is a low cost producer and can earn profits even at low prices. The bondholders virtually own the property through the trustee, National Trust Co. They are getting no interest at all now. If the prospects of better business enable the company to fill its mill with orders, income for bondholders would not be improbable. If the price of newsprint were to rise even slightly, the potential income to bondholders could become substantial.

Some other companies like Abitibi and Lake St. John are less favorably situated. Nevertheless, credit inflation at least would not tend to worsen the damaged position of their bondholders. And it might improve it.

Investment Trust Bonds

One group of companies whose bonds might benefit from inflationary trends in both commodity and stock markets are investment trusts. A number of Canadian trusts have bond issues outstanding. Their values and in some cases income have been depreciated by the collapse of security values, dividends and interest in the past six years. Improvement in bond values and in interest income from bonds of such trusts depends on security values, dividends and interest. Even if a credit inflation were to have the effect of booming stock markets rather than commodity prices, bonds of such trusts would stand to gain.

Canadian International, London-Canadian, Investment Bond, and others are heavily loaded with common and preferred shares. If the position of the bonds of these trusts in 1929 and 1930 is a criterion, under the inflation of security values which then existed, at least the values of their bonds might be restored by a credit inflation in the near future. It must be remembered, however, that the junior securities of these trusts, their own common and preferred stocks, would probably get the maximum benefit of inflationary trends in security markets.

Pensions and Annuities

Even though there may be some advantages for certain types of bonds and mortgages from an inflationary trend, holders of fixed pensions and annuities cannot expect any benefits from inflation. Their hope must be that the cost of living may not rise materially. This hope may not be extravagant, if the productive capacity of Canada and the world at large is allowed free rein. Unless some such disaster as war makes goods scarce, it appears possible for the world to produce at a rate which would keep prices and living costs within reason.

Certainly the creditor does not stand to gain as much from inflationary trends as some other classes in the community. Few people, however, are creditors only, or hold nothing but gilt-edged bonds. In their personal investments in real property, depreciated or defaulted bonds, preferred and common stocks, and in individual business enterprises, most people have diversification in their individual resources. Gains from these sources which might be caused by credit inflation would tend to offset disadvantages arising from declining purchasing power of that portion of income which is fixed in amount.

This is the sixth of a series of articles on inflation. The next article will appear in an early issue.

Truro Calls Debentures of 1918 at 5% Premium

From Our Own Correspondent

MONTREAL.—The town of Truro has called for redemption all of its outstanding debentures issued May 1, 1918, and maturing on the same date in 1948. The debentures will be paid off at 105 on August 1 next, after which date no further interest will be paid.

Life Insurance News

Canadian Unemployment Act Criticized by Economists

Social Insurance Plan Under Scrutiny — Several Dangers and Difficulties Are Noted

Canada's delay in accepting unemployment insurance is attributable to inertia and prosperity rather than antagonism in the opinion of Prof. W. J. Couper of New Hampshire University, speaking recently before the Canadian Political Science Association.

"I believe," he said, "that the United States enjoys an advantage in having been compelled to give the problem very much more active and official thought. The bitter controversy in the U.S., the organizations of antagonists, and protagonists, the services of innumerable individuals on commissions and committees of all kinds and the frequent recourse to ballot, to canvass and arouse opinion, have all contributed to the development in the United States of a more active public interest in and a more widespread awareness of the implications of the problem. I have a feeling that the successful administration of unemployment insurance in Canada requires a campaign of public education which the United States has already well started.

National Law Not Solution

"In Canada," said Prof. Couper, "you have chosen the path of Dominion-provincial co-operation to reach your goal. While I admire Mr. Bennett's forthrightness and courage and hope his constitutional argument will be sustained, I doubt whether a national law can be regarded as having solved this phase of Canada's problem, for the problem is not solely a legal one of federal versus a unitary state; it is also one of administrative possibility and the size of the administrative area.

"The heart of all labor legislation is administration which nearly always resolves itself into a local problem of the relations between administrative officials and those with whom they have to deal. Effective administration is possible only with the active co-operation of those directly affected by and interested in the administrative process. To the extent that provincial pride or traditions are alienated or antagonized, national administration must fail.

No Substitute for Education

"I doubt also whether there is any real substitute for the painfully slow process of educating public opinion in all sections of the country actively to desire what some of us believe they should have. It is much to be regretted that both Canada and the United States, although they have tackled the problem in different ways both, start their programmes under the shadow of possible constitutional invalidity."

Flat Rates Criticized

Canadian procedure in providing for contributions to the Unemployment Insurance Act at flat rates was sharply questioned by Professor Couper. "This policy," he said, "seems peculiarly unwise in a country where wages vary so much more widely than in England, both occupationally and geographically. The flat rate system is not easier to administer and it encourages various types of obviously unjust discrimination.

"I should welcome experimentation with the compromise plan of merit rating by which the employer's contribution rates are adjusted in accordance with his experience. This would simplify some of the problems of dealing with both the very good and the very bad risks and would check a tendency, which some fear, for employers to discharge insured workers whom they might otherwise have "carried" and to arrange part-time working schedules in such a way as to make workers eligible for unnecessary benefits.

Urges Graded Contributions

"I venture a regret also that the Canadian procedure in respect of contribution rates seems largely to be to collect the same total contribution per worker as in England; to increase the English benefit rate to allow for the higher cost of living in Canada (without reference to the equally important higher standard of living); and to make other actuarial adjustments by shortening the duration of benefits.

"American opinion seems to be that rates should be from 3 per cent of payroll, as in the Social Security bill, to 5 per cent as in the Wagner Lewis bill of 1934. The Wisconsin rate is 2 per cent, New York 3 per cent, New Hampshire 4 per cent. A flat rate system may impose a limit on the average rate of contribution and at the same time works hardships on workers of limited earning power."

Benefits Discussed

Professor Couper pointed out also that the American dislike of flat rate contributions applies with equal force to the English-Canadian system of flat rate benefits. "These are necessarily relatively too high for many underpaid workers and too low for many well paid workers. They guarantee only a minimum of subsistence although sounder policy would be to attempt to safeguard in some measure the workers established standard of living. This is more nearly done by benefits graduated according to full-time earnings. Benefits thus graduated have the further advantage that they automatically adjust themselves to temporary changes and, what is peculiarly important in large countries, regional differences in wage rates and living costs.

"By providing benefit allowances for dependents, the Canadian act follows well-established practice. From the American point of view, however, this seems to break the direct connection between the contributions payable and the benefits receivable by any individual and to introduce an element of payment according to need which, however admirable, is alien to our present economic system."

Maritimer Gives Views

L. Richter, Dalhousie University, analyzed the new Canadian statute on the basis of general principles essential for the building of a social insurance system. He defended flat rate contributions by pointing out that in unemployment insurance any barred from private insurance are excluded under the scheme which the bill has introduced. If it should be found that conditions in an occupation included in the insurance scheme show great similarity to conditions in an occupation which is excluded, this occupation may be struck off the list of the insured and declared exempt.

"This provision which has been borrowed from the English law is evidently intended to serve the purpose of dealing with border line cases. It is, however, drawn up on broad lines and can easily be applied for the purpose of excluding bad risks from insurance altogether just as private insurance refuses to reinsure a policyholder whose property has burned down several times."

Warning About Relief

Two warnings were thrown out by Mr. Richter as to the implication of the Canadian Statute. First, that the state is in the final instance financially responsible for the working of the system and can no more allow a social insurance fund to become bankrupt "than it can a large railway company or a wheat growers' association." He warned also that Canada had yet to face the vital problem of finding a final solution to questions of insurance and relief.

"The position of insurance," said Mr. Richter, "will be all the stronger, the better the position is made for those who are not included under it. The two problems stand in the closest relationship to one another and can only be solved if they are taken together.

"Whether, as in England the provision and financing of relief for able-bodied unemployed is made into a duty for the central authority; or, as in Germany, this task is left to the local authorities while the burden of their financial responsibility is lightened and clearly defined, in any case, a method should be found before the insurance scheme is put into operation."

QUEBEC MAKES MANY CHANGES IN LIFE STATUTE

Amendments of Past Session Five in Number

Important changes respecting life insurance laws in Quebec provinces were made during the session which came to a close a month or so ago. These have to do chiefly with such matters as rebating and twisting, privileged information; the trafficking in policies, and policies on the lives of minors. The major changes are summarized as follows:

Rebating.—The act has been amended by adding a new section, Section 135a, containing a prohibition against rebating and other agreements as to the premium to be paid for a policy not set forth in the policy. A similar provision was contained in the old Dominion Insurance Act and was last year introduced into the Insurance Act of Ontario.

Twisting.—Section 136 of the act has been amended by adding to the section a provision similar to that introduced into the Insurance Act of Ontario last year forbidding twisting of life insurance policies.

Privileged Information.—The act has been amended by adding after Section 142 a new section which declares "privileged," information communicated to or filed with the Superintendent of Insurance concerning any person applying for an insurance license or licensed under the Insurance Act. Similar legislation is already contained in the Insurance Act of Ontario.

Trafficking in Life Insurance Policies Prohibited.—The act has been amended by adding after Section 217c thereof a new section prohibiting trafficking in life insurance policies by persons or syndicates which advertise or otherwise seek to procure the assignment of such policies to the great detriment of policyholders.

Life Insurance on the Lives of Minors.—Section 217b of the act has been amended by adding the underlined words:

> "217b. Notwithstanding any law to the contrary, a minor of the full age of fifteen years may insure his life in his own favor or in favor of his lawful heirs or of any one or more of them, but he cannot exercise during his minority any option or privilege contained in the policy nor give a valid discharge to the company for any sum paid thereunder without the consent of a family council."

Official of C. U. A.

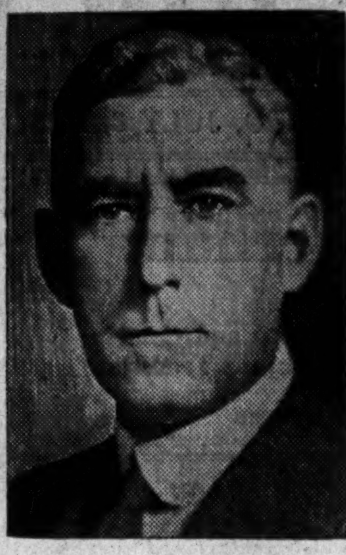
L. C. EVANS

Manager and secretary, London & Lancashire Guarantee & Accident Co., Toronto, who has been elected a vice-president of the new Canadian Underwriters Association.

Life insurance week meant a gain of 50 per cent in production over the average week of the year to date for the Great-West Life.

Elected Vice-presidents

H. W. FALCONER



R. L. STAILING

Vice-presidents of the newly formed Canadian Underwriters Association which is to be an amalgamation of the Canadian Fire, Canadian Casualty and Canadian Automobile Underwriters Associations. Mr. Stailing is manager for Canada of Sun Assurance Office Ltd., London, Eng., and Mr. Falconer is managing director of Dominion of Canada General Insurance Co., Toronto. During the past year Mr. Stailing and Mr. Falconer have been president of the Canadian Fire and Canadian Casualty Underwriters Associations respectively.

Insurance Problems

Insurance questions of general interest submitted by subscribers of **The Financial Post** will be answered in this column. Other enquiries will be answered by mail. A three-cent stamp should be enclosed to cover a direct reply.

In view of the wide interest in annuities at the present time and the large number of enquiries received regarding annuity contracts offered by individual life companies and those by the federal government, The Financial Post publishes herewith an extended enquiry which sets forth at some length some of the salient features of these two types of contract. The name of the particular company has been omitted in this case because the reply is generally applicable to most companies writing this type of business in Canada.

Federal Versus Private Company Annuities

I am thinking of taking out an annuity with a Canadian life insurance company but before doing so I would like to find out how the Government annuities compare with those of ordinary companies.

Due to the fact that Canadian Government annuities are heavily subsidized by the taxpayers, the rates quoted by this branch are considerably more favorable for most ages than those which can be obtained from private companies. The difference for many ages runs as high as 25 per cent. The Federal Government pays all the cost of administrating this department and in addition continues to use an obsolete mortality table which loads the rate very heavily in favor of the annuitant.

Private companies continue, however, to sell a substantial volume of business for several reasons. In the first place, Canadian Government annuities are restricted to an annuity which would return not more than $1,200 annually. Also, Canadian Government annuities are not as flexible as the type of contract offered by private companies. For instance, there is no provision for loan or surrender values in the Government contract, a feature which has very obvious advantages in certain cases.

Many Canadian companies no longer write a contract unless the policyholder takes out his first $1,200 with the Federal Government.

An analysis of the benefits offered in a deferred annuity contract, for example, are as follows:

	Government Annuity (Plan A)	Private Company — Deferred Annuity
Annuity Income	Type of annuity and time when it is to commence are decided at time contract is applied for.	Most companies offer very flexible annuity options. They realize it is difficult for a man or woman to decide now when he or she will retire; it may happen 10, 20 or 30 years or more hence. Accordingly, the annuitant is ordinarily given a contract which guarantees a definite annuity income at any time between ages 50 and 70 and, in addition, is given the choice of two or more types of annuities guaranteed under the contract.
Cash Option	None.	Yes. If the annuitant were in ill health at the retiring age, it might be unwise to take any annuity. Under the private company plan the cash option could be taken. Also, some companies are willing to arrange a medical examination in such a case, and if the annuitant's condition warranted it, grant a larger annuity.
Cash Values	None. Grant a proportionate paid-up annuity to commence at the age set out in the bond, usually ages 60 or 65; or an immediate annuity at the rates in effect at time annuity is requested.	Yes. Annuitant can take the accumulated cash value, or a paid-up annuity for a reduced amount to start later on, or an immediate annuity.
Loan Values	None.	Cash and loan values usually available as soon as the second annual premium is paid, and thereafter until income commences.
Dividends	None. A without profit contract.	Dividends are payable up to the time the annuity commences if a with-profit plan is selected. Left with the company at interest they may be used to increase the annuity income. Most annuities are sold, however, on a non-par basis.
Death Benefit during Deferred Period	The premiums paid are returned with interest at 4 per cent.	The premiums paid, on an annual basis, are returned; or the cash surrender value, whichever amount is greater, plus any dividends at the credit of the bond if a participating contract.
Total Disability Benefit	None.	Where this benefit can be offered it makes the annuity secure, as should the annuitant be prevented from earning a living through total disability from accident or disease, premiums are waived by the company during the period of total disability.
Limitation of Amount of Annuity	Cannot buy more than $1,200 a year annuity.	Will consider any reasonable amount.

60 Years With Canada Life Celebrated by A. Campbell

A. McTavish Campbell, consulting manager of the Manitoba branch of the Canada Life, is celebrating his 60th anniversary with the company. He joined the company as a junior in the Toronto office in May, 1875, and six years later was transferred to Winnipeg.

In 1884 he was appointed general agent in that city, and in 1890 was made branch manager with territory extending from Manitoba to the Pacific coast. In 1922, after 47 years of service, Mr. Campbell relinquished his active duties, but has kept in close touch with company affairs as consulting manager in Manitoba.

Mutual Citizens' Has Large Excess

The market value of all securities of the Mutual Life and Citizens' Assurance Co. of Australia as at December 31, 1934, exceeded the book value by more than £3,000,000, according to information given The Financial Post by J. P. Moore, general manager for Canada of the company.

This excess represents about 13 per cent of the company's total assets, according to Mr. Moore.

New Insurance Agents Write Business Quickly

Approximately 93 per cent of the total production of new Canadian life insurance agents in 1934 came from those starting production in the first three months under contract. About seven per cent came from those who started in the fourth, fifth and sixth months. Last year's early recruits got 94 per cent of the new business.

A total of 608 full-time insurance agents were covered in this survey. A similar analysis will shortly be made by the Life Insurance Sales Research Bureau of United States agents.

Fire and Casualty News

Lowest Per Capita Loss Recorded in Prairies

As might be expected Ontario and Quebec led other Canadian provinces in total fire loss in 1934. Ontario with the largest number of crowded industrial centres and with the consequent greater risk of conflagration led the parade with a total loss of $10,040,144. British Columbia was third and Saskatchewan fourth.

In per capita loss Ontario also led the way with a loss of $2.92 per person. British Columbia ranks second and Quebec third. The per capita loss for the Dominion as a whole was $2.44.

The Prairie Provinces have the best record, with Saskatchewan showing a per capita loss for 1934 of only $1.33. Over the three-year period of 1932 to 1934 these provinces also had the best record. During this period the per capita loss in Saskatchewan totalled $5.18, in Alberta $6.80 and in Manitoba $5.60. This compares with the Dominion aggregate per capita loss for these three years of $9.65.

With the exception of Manitoba and British Columbia, improvement was shown by every province. Manitoba's per capita fire loss showed a slight increase, rising from $1.64 to $1.70, and British Columbia's from $2.62 to $2.86. New Brunswick, Nova Scotia, Prince Edward Island and Quebec recorded sharp declines. Figures by provinces for the past three years follow:

Fire Loss by Provinces

Province:	Total Loss 1934	1933	1932	Per capita Loss 1934	1933	1932
	$	$	$	$	$	$
Alberta	1,177,370	1,435,612	2,376,658	1.60	1.96	3.24
British Columbia	1,988,501	1,852,253	3,299,005	2.86	2.62	4.75
Manitoba	1,195,160	1,146,000	1,585,906	1.70	1.64	2.26
New Brunswick	823,523	2,188,200	1,507,805	2.02	5.36	3.69
Nova Scotia	1,219,215	1,779,614	1,687,459	2.38	3.47	3.29
Ontario	10,040,144	11,250,182	15,466,070	2.92	3.28	4.56
Prince Edward Island.	191,103	272,696	615,047	2.17	3.10	6.98
Quebec	7,567,975	10,862,250	13,911,715	2.65	3.78	4.84
Saskatchewan	1,233,335	1,869,903	1,673,741	1.33	2.03	1.82
Floater	1,514	19,604	70,409	...	...	...
Total	25,437,840	32,676,314	42,193,815	2.44	3.15	4.06

YORKSHIRE INSURANCE REPORTS BETTER YEAR

Surplus of Assets Over Liabilities in Canada is Higher

Improvement in the position of Yorkshire Insurance Co. both in England and elsewhere is shown by the annual report for 1934. In Canada a substantial increase in surplus of assets over liabilities is shown. This surplus in 1934 totalled $4,097,421 as compared with $3,864,217 in 1933, an increase of over six per cent.

In the fire insurance branch of the company's business the ratio of losses incurred to premiums earned was 45.02 per cent as compared with 43.95 per cent in 1933. The average ratio for tariff companies in 1934 was 38.81 per cent.

Losses incurred in its automobile underwriting on the basis of premiums written was considerably lower than the average experience of companies operating in this field, the ratio of losses incurred to premiums written being 33.06 per cent as compared with the average ratio of 50.76 per cent.

Commenting upon the company's annual statement Frank E. Dufty, the company's Canadian manager, says: "The constantly improving position of Yorkshire in Canada is a credit to the splendid work and loyalty of our men and agents everywhere. Nevertheless it also reflects a gradual improvement in business conditions throughout Canada."

LIFE COMPANIES MOVE TO LOWER INTEREST RATES

Many Plan to Implement Undertaking as to 6% Policy Loans

Decision last week of George G. Coote, M.P. for Macleod, to allow his two bills respecting interest rates on insurance policy loans "to stand," clears the way for Canadian life insurance companies to implement their undertaking to reduce all rates voluntarily to a six per cent basis.

The Coote bills which created wide discussion both in and out of Parliament, had finally been amended so as to make illegal the charging by companies of a rate for policy loans higher than five per cent. The original limit as introduced by Mr. Coote at the beginning of the session was four per cent. By allowing his bills to stand, Mr. Coote thus prevents them from being killed as would otherwise be the case in an "adverse" House.

Recently Prime Minister Bennett came to the fore in a striking attack on this legislation. He pointed out its dangers and limitations and announced he had received an undertaking from the life companies that if this particular legislation were withdrawn the companies were prepared voluntarily to agree to a general scaling down of loan rates to six per cent.

The undertaking was made on behalf of the Canadian Life Officers Association to Prime Minister Bennett and declares, in effect, that the life companies are prepared to undertake with the Government that after Jan. 1, 1936, at the latest, they will not charge more than six per cent on any policy loans heretofore or hereafter made. This undertaking includes automatic premium loans and all charges of every kind in connection with such loans or other loans.

A considerable number of life companies are already charging rates in line with this undertaking while other companies have recently adjusted their rates downward. The majority of companies will be down to the lower rate level before next January, it is believed.

Foresters Meet

Two hundred and fifty delegates from Halifax to Vancouver recently met in Windsor, Ontario, for the annual convention of the Canadian Order of Foresters. This fraternal organization, which provides insurance and sick benefits for its members, was founded in London, Ontario, in 1879.

STRATTON WHITAKER has been appointed provincial manager for Manitoba of the Mutual Benefit Health and Accident Association.

D. A. Hanson Again Heads Insurance Brokers Ass'n

D. A. Hanson, Montreal, has been re-elected president of the Insurance Brokers Association of the Province of Quebec.

Other officers for the ensuing year are: Chairman of the executive committee, J. F. Parisien, Montreal; vice-presidents, Jean Gagnon and E. Ruxton Byatt, Montreal; P. A. Boutin, Quebec; and J. B. E. Durocher, Ste. Hyacinthe; honorary treasurer, Arthur McBean, Montreal; secretary-treasurer, J. C. d'Auteuil, Montreal. The following are directors: O. W. Dettmers, Gaston LeBlanc, Stuart Rolland, W. G. MacKenzie, Horace Labrecque and Emile Girard, all of Montreal; N. Alarie, Three Rivers; J. H. Delisle, Roberval; F. J. Conway, Sherbrooke; J. C. Perreault, Joliette; A. Tremblay, Chicoutimi; P. H. Plourde, Victoriaville; E. Larose, Thetford Mines; Georges Avery, Granby; J. L. Champigny, Grand Mere; M. A. Fillion, Rimouski; R. Bessette, St. Jean; past president, M. A. J. Gauthier, Montreal.

Zurich General Appoints New Manager for Canada

Zurich General Accident & Liability Co. Ltd., with its head office for Canada in Toronto, has announced the appointment of John H. Burgar as its Canadian manager.

Mr. Burgar has been with the company for eight years. Born and educated in St. Catharines, Ont., he began his business career with the C.N.R., later entering the insurance business. Before joining the Zurich, he was head of the claims department of the Railway Passenger Assurance Co. in Toronto.

In 1930 he was appointed superintendent of all branches of the Zurich in Canada. For the past two years he has been virtually in charge of the company's business in the Dominion.

Canadians Are Elected To American Institute

V. R. Smith, general manager and actuary of the Confederation Life Association, was elected a vice-president of the American Institute of Actuaries at the meeting of the association in Chicago.

W. A. P. Wood, assistant general manager and actuary of the Canada Life Assurance Co., was elected a governor for a three-year period.

Thirty-first Annual Convention

The 31st anniversary of the Alberta union of municipalities will be celebrated on June 27-28 when the annual convention will be held in Calgary.

Insurance Inklings

W. R. T. Howard, of the Toronto staff of the Canada Life, recently addressed the Life Underwriters Association of Kingston.

The Insurance Institute of Toronto held its annual meeting in the Imperial Life convention room at Toronto, June 28.

C. H. Warren has been appointed manager of the new estates counsel department of the B. C. branch of the Dominion Life.

FIRE INSURANCE
A CANADIAN COMPANY
SECURITY NATIONAL INSURANCE COMPANY
HEAD OFFICE TORONTO
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V. G. CREBER, *Vice-Pres.*
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to policy holders rests on fifty years' experience, fifty years' growth and fifty years' success.
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Portage la Prairie, Man.
MONTREAL, TORONTO, WINNIPEG, REGINA, VANCOUVER
WRITING FIRE AND WINDSTORM 80

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The Independent Order of Foresters is a fraternal benefit society operating under a lodge system and existing for the purpose of affording to men and women the completest protection at the minimum cost. This protection covers practically every phase of family life. In addition to the protection afforded through its Insurance and Sick Benefit Departments, a number of practical fraternal benefits are available to its members.
Total Benefits paid $125,000,000
Independent Order of Foresters
FRANK E. HAND, Supreme Chief Ranger
HEAD OFFICE: TORONTO, CAN.

NORTHWESTERN MUTUAL FIRE ASSOCIATION
SEATTLE WASHINGTON
HEAD OFFICE FOR CANADA HAMILTON ONTARIO
BRANCH OFFICES: Toronto, Ottawa, Vancouver, Victoria, Edmonton, Calgary, Saskatoon, Winnipeg, Montreal, Quebec City, St. John, Halifax
WRITING FIRE AND AUTOMOBILE INSURANCE AT COST, ASSETS $5,183,603.19
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Ranks 3rd against all companies on total volume of fire business written in Canada
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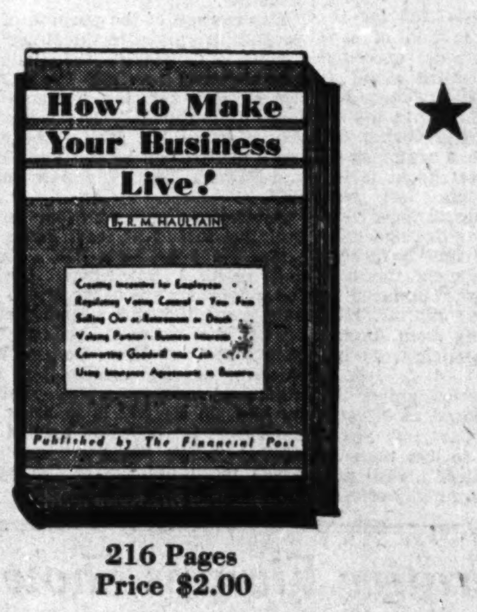
FIDELITY Insurance Company of Canada TORONTO

To Partners in Partnerships
★ You Probably Want:
● 1. To acquire your partner's interest if he dies, instead of forming a new partnership with his wife or heirs;
● 2. To arrange a sure cash sale of your interest, to your partner, if you die;
● 3. To make your firm's bank and trade credit as strong as possible;
● 4. To build liquid cash for emergencies, and retirement funds for the partners.
THE FOUR-WAY SOLUTION, say unbiased authorities, is usually partnership insurance. How do you arrange it? What points do you want covered in your agreement?



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Three-cent stamp must be enclosed. Write mining and insurance enquiries on separate sheets. Address the editor, The Financial Post, 481 University Ave., Toronto.

Lake of Woods, Brazilian

What are the investment problems to consider in changing Lake of the Woods common for Brazilian Traction common?

If your client changes from Lake of the Woods common stock to Brazilian Traction common stock, he changes into a company which has had a much steadier experience in earnings than has had Lake of the Woods. It has also a very strong working capital position whereas there is a working capital deficiency for Lake of the Woods and its bank loans are nearly $3 million.

On the other hand there is no exchange or political problem in this holding of common stock of Lake of the Woods. Though Brazilian Traction common stock is having earnings shown on it at the present time, it is of little use to Canadian shareholders until the exchange position of the Brazilian milreis under free market conditions, permits export of money for dividends.

The company also has an uncertain position in that a number of its utility subsidiaries face the prospect of changing rates. Just what the ultimate results will be cannot be told until negotiations are over as well as arbitrations where agreements cannot be affected. There is also some political antagonism toward foreign capital in Brazil and Brazilian may take its share of whatever evil results flow from that.

Lake of the Woods showed about $2 a share earned after preferred dividends in 1934 if no account is taken of arrears on 7 per cent preferred stock since 1931. Before common can be considered as safe, arrears will have to be paid, bank loans reduced and markets for this and other flour milling companies strengthened. The chief thing that is wrong in the position of Lake of the Woods is wrong with the whole industry built on Canada's hard wheat. Canada has a surplus for export and the price is artificially being held above what the market in England is willing to pay. British millers are able to buy cheap wheat from elsewhere, which gives than an advantage in the British market over Canadian. In both cases it will be seen, therefore, that the companies stand to have more advantageous prospects when the whole world situation as to trade and exchange begins to clear up.

McColl-Frontenac

I am considering purchasing a first mortgage bond of McColl-Frontenac Oil Co. Would you be good enough to let me know something about the earnings of this company, in so far as bond interest is affected and the equity back of the bonds?

McColl-Frontenac Oil Co.'s financial statements over a period of the last five or six years show that bond interest, after depreciation and bank interest, has been earned by a comfortable margin. In the fiscal year ended January 1, 1935, the company covered bond interest 4.56 times before depreciation and after bank interest, while interest was covered 3.25 times after depreciation and bank interest. The equity back of the bonds on January 31, 1935, was $2,263 compared with $2,234 on the same date a year ago.

Fanny Farmer

Will you kindly give me your views on Fanny Farmer stock?

Ever since 1932 Fanny Farmer Candy Shops Inc. has been showing a steady increase in sales with a total for 1934 the highest in the history of the company. Net profit in that year amounted to well over $400,000 which was the best reported with the exception of 1929 when almost $445,000 was shown. For the first five months of the current year, sales are reported higher than for the corresponding period in 1934 and net profit is also up considerably.

The company is credited with excellent management and has a large part of its total assets in government and municipal securities. The latter in the balance sheet as at December 31, 1934, were shown at slightly over $620,000. Inventory amounted to $300,000. After depreciation reserve, approximately $523,000 was shown in buildings and equipment. Current assets exceeded current liabilities at the end of 1934 by almost $790,000.

The company operates a chain of one price retail candy shops in the northeastern United States and also has six manufacturing plants in the same territory. The officers and directors are practically the same as those of the Laura Secord Candy Shops of Canada.

Dominion Bond Prices

A few weeks ago I bought $10,000 of Dominion of Canada three per cent bonds with the intention of holding them for a rise. Since then, however, the bond market has been slipping. Would you suggest that I sell them now? I am thinking of buying a government annuity, and wonder whether I ought not to take a loss and purchase one.

Unfortunately we are unable to tell you whether the gilt-edged bond market will recover, stay where it is, or decline. There is a difference of opinion on this subject in the best-informed quarters, and in any event our enquiry service is designed primarily to furnish information rather than opinion. The following information, however, may enable you to make your own decision regarding the bonds you hold.

Several forces have combined to raise the price of government bonds in Canada. First interest rates have been lowered in the United Kingdom and in the United States by governmental action along monetary lines. If this condition did not exist, the price of government bonds could not long remain at high levels in Canada, because selling from abroad would drive prices down.

Canada itself has adopted a cheap money policy. This has consisted of expanding the cash reserves of the chartered banks. This impelled the chartered banks to buy bonds more heavily than they otherwise might have done. Also, the banks have found themselves unable to expand their profitable commercial loans. This, too, has been a factor in influencing banks to buy bonds. Further, insurance companies have been chary of mortgage lending because of moratoria. This has left them with little choice of investment but in government securities.

Chiefly for these reasons and partly because the maximum of security has been the aim of investors in the last two years or so, the price of gilt-edged bonds in Canada has been lifted tremendously. The question, of course, is whether this high level can be maintained. One factor of vital importance is the monetary policies in Great Britain and the United States. At present, it seems to be intended to maintain low interest rates in those countries for a long period. If this is done, it will tend to maintain Canadian bond prices. Also, the necessitous purchases of government securities by the Canadian banks may not yet have ended. It may stop, however, when the excess cash reserves have been absorbed either by an increase in loans, or by purchases of securities.

Another factor of importance for the future is the foreign exchange rate in Canada. This is one of the most important but imponderable factors in the situation. If, for instance, the pound sterling were to fall again to about $3.50, it would not be improbable that British holders of Canadian securities would be inclined to sell them and get a profit in sterling. This would naturally have the effect of driving down Canadian bond prices. Similar influences would be felt from changes in the level of the U. S. dollar. For instance, in November, 1933, when the U. S. dollar suddenly went to a five per cent premium, the market for government bonds in Canada slumped because of offerings of bonds from the United States.

If the policies of the United States and the United Kingdom continue to be toward very low interest rates, and if an international currency stabilization takes place, it is possible that the present high price for Canadian government bonds may be maintained. If, however, there are further international financial disturbances, some disruption of our bond prices might occur.

If you buy a government annuity, you can get at least the equivalent yield on your money that you would get from the bonds. But you could not market the annuity. The Dominion's annuities are administered on an uneconomic basis in that administration charges are not levied on the annuitant. This, however, is to your advantage. The loss on your bonds is still comparatively small. If you were to buy the annuity, you could increase your income from the funds without taking any additional risk except the non-marketability of your investment.

Bay-Cumberland

When was the last coupon paid on bonds of Bay-Cumberland Properties? Will another one be paid soon?

Bay-Cumberland Properties are fully rented, but at the low rates which have been prevailing for some time. Taxes and operating expenses are being earned and paid. The last interest payment was Oct. 1, 1934. While there may be some delay before another coupon is paid, there is a possibility that the property may be able to accumulate sufficient revenue to meet a coupon this year.

New Toronto Bonds

What is the position of New Toronto's finances? Will interest be paid this year? Are not the bonds guaranteed by the city of Toronto?

The affairs of the town of New Toronto are somewhat involved. The town is in default of both principal and interest on its debenture debt. It appears that no payment of interest is likely to be made this year.

There has been some uncertainty as to the town's liability in connection with joint utilities development with adjoining municipalities. At present the Ontario Department of Municipal Affairs is in touch with the town's finances, but no scheme of refinancing has been proposed as yet. It is understood that later this year some proposal may be made for the amalgamation of New Toronto with other neighboring municipalities. If this were done, it is believed that the Department of Municipal Affairs would propose to consolidate the debts of the various municipalities, including accrued interest, and might try to refinance them at lower rates of interest.

Due to complaints made about the bookkeeping of the town, an audit was ordered recently by the Department of Municipal Affairs. The result was that a new treasurer was appointed, and the provincial government is believed to be watching the town's accounts carefully at present.

The bonds of the town are in no way obligations of, nor are they guaranteed by, the city of Toronto. New Toronto is a separate town and as such has charge of its own finances, with, of course, the supervision of the province of Ontario.

Seaman Kent Co.

Several years ago I had a gold bond in Seaman Kent Co. This I turned in and in return received preferred shares. These were to pay dividends last December, but I have heard nothing yet. What should I do?

We regret to inform you that your preferred shares in Seaman Kent Co. are of little or no value.

The company went into liquidation late in 1934. The Montreal Trust Co. is liquidator. At present, we understand, that liquidation of the assets will hardly realize enough cash to pay the company's liabilities and costs. This means that there would be nothing left for preferred shareholders.

It would, however, be unwise to destroy the certificates for the shares. If, for instance, there were a real estate boom, it is possible a sufficiently high price might be realized on some properties that some return might be paid to shareholders. Otherwise, however, the outlook is sombre.

In its heyday, the company was the largest manufacturer of hardwood flooring in Canada. It went into receivership in 1931 and was reorganized in 1933. The bonds were originally offered in 1924 by McLeod, Young, Weir & Co., and Johnston & Ward.

Imperial Oil

Would you kindly advise me concerning the liquid position of Imperial Oil bought at $20 a share?

I am interested in purchasing a stock that will yield 6 or 7 per cent return on the investment and at the same time give reasonable security of capital invested.

Imperial Oil is in a highly liquid position and is one of the strongest Canadian companies as far as holdings of cash and marketable securities are concerned. It is impossible to tell you what percentage of returns you would receive because the company pays a 50c. dividend, but in the last year has made some high payments as bonus as well. It might easily let two or three years slip by at some time and not make a bonus payment and then make a large one. Its history has been that regular dividends have always been maintained and eventually increased. That is not true of bonus dividends.

Mining Enquiries

Rosedale Mines

I understand that Bonded Corp. has applied for permission to sell an issue in Rosedale Mines in New Brunswick. Since I am almost sure to be approached to purchase some stock, I would appreciate your opinion on Rosedale Mines and on Bonded Corp.

Information in connection with Rosedale Gold Mines is not complete because the company was only recently organized and the property is in New Mexico, U.S.A.

Bonded Corp. was formerly known as Bonded Royalties Ltd. and dealt almost exclusively in oil royalties. In view of the fact that the company is in the nature of an investment house, its annual financial position does not have to be made public and accordingly, it is difficult to comment on the position of this concern. As for Rosedale Mines the company has some responsible men on its board of directors which includes Duncan McLaren, of Toronto, as president. Mr. McLaren is also president of Canada Bud Brewery, National Lumber Company and other concerns. A. W. Holmstead, K.C., vice-president of Rosedale is a well-known Toronto lawyer and a director of Page-Hersey Tubes Limited. Other directors include H. W. Greenwood, Montreal, Treasurer; A. Ritchie, Toronto, secretary; W. W. Butler, Montreal, John Lowe, Valleyfield, Quebec and D. McKenna, Toronto, directors.

The company has an authorized capitalization of $3 millions in $1 par value stock. Of this, $1,250,000 shares are outstanding. The property is equipped with a 50-ton mill and is now in production. This fact, of course, eliminates the costly preproduction financing which has proved the undoing of many operations.

On the basis of personnel alone, we would consider this a rather attractive proposition.

Matachewan Canadian

From your comments of Matachewan Canadian in your 1934-1935 Survey of Mines, I gather that the only assets behind this company consist of a block of Matachewan Consolidated Mines stock, Ventures and Sudbury Basin Mines holding the remaining stock. Are Ventures and Sudbury Basin now in full control of Matachewan Consolidated, and what work is being done? Please accept my congratulations on the useful work you are doing and the way you do it.

Your information regarding Matachewan Canadian Gold is substantially correct. The only assets behind this company are its equity in Matachewan Consolidated Mines. Matachewan Canadian received 1,200,000 shares for the property which were to be distributed on the basis of five new for 16 old. These shares have not yet been distributed and officials of the Matachewan Canadian inform us that there is no move at the present time to do so.

Matachewan Consolidated Mines incorporated in July, 1932, with an Ontario charter has an authorized capitalization of 3 million shares, n.p.v. Ventures and Sudbury Basin Mines will eventually hold all the stock with the exception of the vendors stock referred to above. In March, 1935, Matachewan Consolidated decided to increase its capitalization from 3 million shares to 4 million shares in order to provide further funds for development. Shareholders are being asked to approve of this increase.

The 100-ton mill at the property turned over early in November and from the beginning of production to December 31, 4,680 tons of ore were treated giving a recovery of 679 oz. of gold valued at $14,044 with gold at $20.67 and 100 oz. of silver. The average recovery per ton was $3.01. Although this is rather low grade it must be remembered that in the early stages of operation some of the gold is absorbed and that accordingly grade of ore handled would be higher than this. Ore reserves calculated from development work on the 150-ft. level only and embracing the eastern and western ore sections are estimated at 1,171 tons per vertical foot of depth averaging .199 oz. of gold per ton. Broken ore as at December 31 totalled 1,842 tons and development ore on the dump 6,235 tons.

The Ontario Department of Mines figures showed that production for the first quarter of 1935, that is up to March 31, had a value in Canadian funds of $60,023. In this period, 9,646 tons were milled with an average recovery per ton of $3.69.

Current assets at December 31 last were shown at $18,758 as against current liabilities of $40,838 leaving a working capital deficit of $22,080. As you are probably aware, in mining companies it is considered legitimate to include in current assets the supplies on hand. In its balance sheet, the company failed to take advantage of this. Had they done so, current assets would have been increased by $24,640. Mine development and expenditures to the end of 1934 less recovery to be written off over future operations totalled $174,155.

Mandy Mines

I would be glad of any information you could give me on Mandy. It is, of course, the mine to which I refer.

Mandy Mines is a consolidation of the Mandy property, a copper prospect adjoining Hudson Bay Mining & Smelting Co. and other holdings of the Tonopah Mining Co. which controls it. The company has no mill but during 1917-20 it mined a high grade ore shoot, the extension of which had not been located when development work stopped. After 1920, some development work was done but suspended in 1929, chiefly owing to low metal prices. The chaotic state of the copper industry at the present time does not enhance this company's attractiveness. An additional factor which has caused investment appeal in this stock to wane is the belief that the known high grade ore was mined out. There is no indication from previous development work that high grade ore extended any farther. Given stabilization in copper prices, it might be expected that interest in Mandy would revive. Through Tonopah and through its own board of directors the property has excellent management. The last annual report which the company has issued was for the year ended December 31, 1931. At this time current assets were $189,225 including $181,118 in investments at cost. Current liabilities were $16,000. Since conditions have remained largely unchanged and in order to reduce expenses, no annual report has been printed since that date. The company has an authorized capitalization of 3 million shares no par value of which we understand 2.5 millions are outstanding. Of the outstanding stock, Tonopah owns about 1.4 millions. Ore blocked out has been estimated at 100,000 tons on a grade which might be profitable were copper prices to return to the normal figure.

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LONDON, CANADA
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Combined Assets Exceed $100,000,000

Rackets

Horse Traders Not Extinct

APPARENTLY unscrupulous horse traders are still endeavoring to make a living. Recently a director of the Toronto Humane Society protested against a racket with worn-out nags as the stock in trade.

Old or crippled horses are purchased by these individuals in country districts at insignificant prices. They can often be secured for a few dollars. The seller thus saves himself the trouble of oiling a shotgun and digging a hole in the back pasture.

These animals are then taken to the city and with the use of drugs and other stimulants are given an appearance of youth, health and strength. They are usually sold to pedlars and rag buyers who know nothing about horses or their care. Within a week most of the animals collapse.

This racket is almost on a par with that credited to a super-horse dealer of an earlier generation. Coming out to the stable one morning, he found his horse in failing health. The veterinary offered no hope of even partial recovery.

Some time previously this man had been offered $50 for the horse, so after verifying the deal the animal was crated and shipped. Unfortunately it died en route. The shipper waited in some uncertainty for the result.

A month later he met his customer. Instead of the expected outburst accompanied by violent demands for a return of the money, the buyer explained that he was perfectly satisfied and had not lost any money on the deal. Naturally the first horse trader was keen to find out how this could be accomplished. Such information might prove valuable in his own business.

"Oh, yes, the horse was dead when it arrived," reported horse dealer No. 2, "but I forgot to mention that I raffled him off to 50 people at $2 a ticket. The only person dissatisfied was the one who got the horse and when I gladly returned his money he, too, went away perfectly happy."

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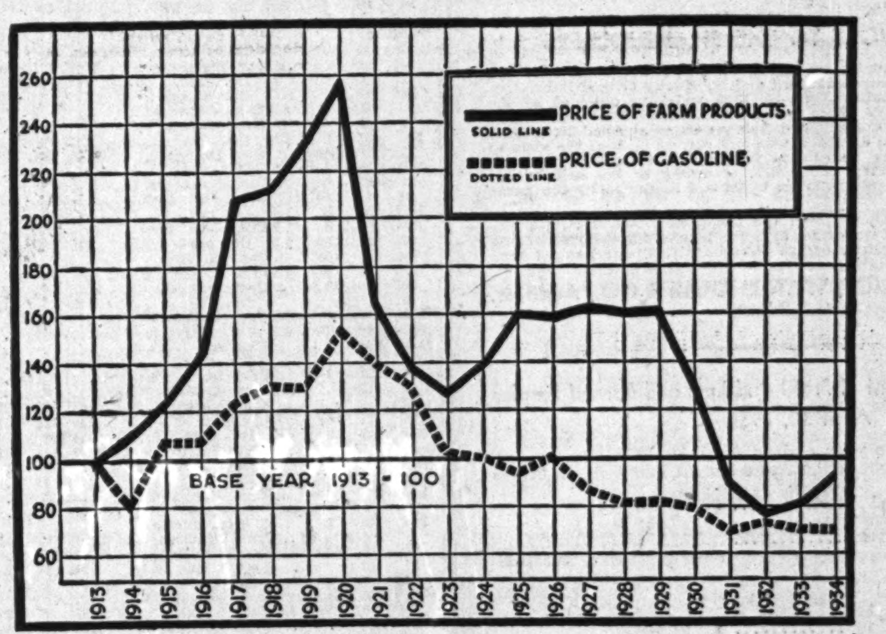

The depressed price of farm products is a problem with which everyone is familiar, but on the 1913 basis farm product prices have never been as low as gasoline. Between 1913 and 1920 gasoline did not rise in price to nearly the same extent as farm products, yet since 1920 its price has almost continuously declined. The data for the above graph are based on figures published by the Dominion Bureau of Statistics.

A DYING WAGE

WHEN we started business in 1880 our first rule was to pay a fair living wage.

In 1919 we decided a living wage was not enough. We should pay a dying wage, too. We knew how hard it is for the worker to make provision for his old age and for his dependents in the event of his death.

So we introduced benefits and pensions plans. Sickness benefits—the incapacitated employee to continue drawing pay according to his term of service; pensions—a fair living allowance for the worker who reaches old age; death benefits—a cheque immediately for the deceased worker's family. These things lifted a burden of care from our employees' shoulders—made them happier, more enterprising and more efficient. They lifted a burden from the shoulders of the Canadian taxpayer, too.

We are proud of these plans which have helped so much to build up a loyal organization of thousands of Canadian workers. Their devotion to their work has made it possible for us to serve Canada with quality products at lower and lower prices.

IMPERIAL OIL LIMITED

THE SIGN OF ★★★ IMPERIAL PRODUCTS A FAIR DEAL

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H. C. LINK - - - - - - - - Asst. Secretary-Treasurer

Consolidated Balance Sheet, April 30, 1935

ASSETS

Capital Assets at Cost:			
Land and Buildings	$ 142,990.72		
Plant and Equipment	1,012,478.41		
Marine Equipment	680,664.37		
Furniture and Fixtures	12,983.68		
	$1,849,117.18		
Goodwill	1.00		
		$1,849,118.18	
Investment in and advances to partly owned Subsidiary Company:			
Investments, at cost	$ 14,000.00		
Advances	363.00		
		14,363.00	
Current and Working Assets:			
Cash in Bank and on Hand		$ 264,290.00	
Accounts Receivable (including amounts held back on completed contracts)		257,605.75	
Deposits on Contracts		8,525.00	
Investment in Uncompleted Contracts, at cost		39,536.31	
Inventories of Tools and Supplies at book values		22,987.00	
Investments in Dominion and Public Utility Bonds at cost .....$228,968.72 (quoted value April 30, 1935 ....$225,777.50)			
Accrued Interest thereon	4,350.62		
		233,319.34	
			826,263.40
Deferred Charges to Operations			1,041.70
			$2,690,786.28

LIABILITIES

Capital Stock:		
Authorized—150,000 Common Shares of No Par Value.		
Issued—84,600 Common Shares of No Par Value		$ 710,000.00
Current Liabilities:		
Accounts Payable and Accrued Liabilities	$39,942.95	
Provision for Dominion, Provincial and other Taxes	5,996.83	
		45,939.78
Reserve for Depreciation		900,801.15
Reserve Against Contracts		110,618.70
Reserve for Fire and Marine Insurance		36,017.95
Earned Surplus:		
As per statement attached		887,408.70
		$2,690,786.28

Approved on Behalf of the Board:

R. E. CHADWICK, Director.
V. M. DRURY, Director.

AUDITORS' REPORT TO THE SHAREHOLDERS

We have made an examination of the books and accounts of The Foundation Company of Canada Limited and its Wholly Owned Subsidiary Companies for the year ending April 30, 1935, and have obtained all the information and explanations which we have required; and we report that, in our opinion, the above Consolidated Balance Sheet at April 30, 1935, is properly drawn up so as to exhibit a true and correct view of the state of the combined affairs of The Foundation Company of Canada Limited and its Wholly Owned Subsidiary Companies, according to the best of our information and the explanations given to us and as shown by the books of these Companies.

In accordance with Section 114 of the Companies' Act, 1934, we also report that the Company's proportion of the net profit for the year ending December 31, 1934, of the partly owned Subsidiary Company has not been taken up in the above accounts.

PRICE, WATERHOUSE & CO., Auditors.

Montreal, June 14, 1935.

Consolidated Statement of Profit and Loss and Earned Surplus April 30, 1935

Operating Profit for the year ending April 30, 1935, before taking into account the items shown below		$ 63,065.89
Add:		
Profit on Sale of Capital Assets	$ 5,296.83	
Profit on Sale of Investments	7,121.25	
Income from Investments	13,593.03	
		26,011.11
		$89,077.00
Deduct:		
Provision for Depreciation	$ 91,648.87	
Provision for Income Taxes	2,000.00	
Directors' Fees	4,494.00	
Net Loss for the year ending April 30, 1935		$ 98,142.87
		$ 9,065.87
Earned Surplus balance April 30, 1934	$ 899,107.04	
Deduct: Additional Dominion Income Tax in respect of year ending April 30, 1934	2,632.47	
		896,474.57
Earned Surplus, Balance April 30, 1935		$ 887,408.70

MONTREAL
1538 Sherbrooke Street W.

TORONTO
57 Bloor Street W.

INCO NICKEL
INCO MONEL METAL

INTERNATIONAL NICKEL COMPANY

In 1848 Alexander Murray, a government geologist, found traces of nickel in the Wallace mine, then under development near the mouth of the Whitefish river on the north shore of Lake Superior. It was not until 1883, coincident with the building of the Canadian Pacific Railway through the Sudbury district that the first nickel-copper deposit was found at what came to be known as the Murray mine.

In 1902 the International Nickel Company was incorporated. In 1934 sales of nickel in all forms reached 91,000,000 pounds.

Advertising of this company appears in—

Maclean's
Canada's National Magazine

WEEK'S CANADIAN STOCK AND BOND QUOTATION

Montreal, Toronto and Curb Markets

WEEK ENDING JULY 1

Range 1935 High Low | Divd. Rate Y'ld in $ in % June 28 | Sales | Close June 24 (or July 1 last) | Week Ending July 1 High Low Close

Unlisted Canadian Stocks

(Furnished by A. J. Pattison Jr. & Co., Toronto)

July 2, 1935

Industrial Stocks:

	Bid	Asked
Acadia Sugar, c.	2.75	3.15
Do., pfd.	4.75	5.10
Acme F. Dairy p.	40.00	46.00
Allens Beach pfd.	34.00	...
Allens Tor. pfd. bonus com.	25.50	28.00
Andian National	45.50	47.00
Atlantic Sugar p.	104.50	107.00
B. C. Pulp pfd.	9.00	12.00
Burns A	2.50	3.50
Do., B	2.25	3.00
Can. Starch com.	7.75	...
Do., pfd.	81.00	...
Can. W. & C. 6½% pfd.	53.00	57.00
Can. Indust. A	187.00	...
Do., B	187.00	193.00
Do., pfd.	154.00	157.00
Can. Paper, p. b.	4.00	6.00
Can. Tube 1st p.	26.50	...
Can. Westing.	45.50	47.00
Chase pfd. bonus	24.50	26.00
Claude N. Ad. U.	2.50	3.50
Copland Brew.	1.00	...
Copeland Fl. U.	4.00	6.00
Dom. F. & St. c. (New)	17.50	21.00
Do., pfd.	115.00	125.00
Dom. Manuf. pfd.	66.00	...
Dom. Woollens c.	.70	1.10
Dunlop Tire pfd.	65.00	69.50
East. Dairies pfd.	12.00	15.00
Edm. C. Dairy p.	48.50	...
Fed. Grain com.	.75	1.75
Do., pfd.	26.00	28.50
Gen. St. Wares p.	40.50	43.00
Goderich Elevator	4.50	5.50
Green. Wire pfd.	99.00	103.00
Guelph Carpet p.	95.75	97.50
Guelph Carpet c.	15.00	17.00
Hayes Wheels p.	...	10.00
Highl. Dairy com.	3.25	4.00
Do., pfd.	78.00	...
Huether Brew. p.	2.25	3.25
Inter C. Bak. c.	17.00	19.00
Inter. Met. Ind. p.	35.00	42.00
Inter. Paints pfd.	19.00	20.50
Loew's London p.	2.50	3.15
Mansf. Theat. p.	24.00	26.00
Massey Harris p.	20.50	21.50
Mercury Mills p.	6.00	10.00
Morrow Screw p.	95.50	...
New Meth. Laund. pfd. bonus	60.00	...
Niag. W. Weav. p.	50.00	55.00
Para. Oshawa pfd.	55.00	...
Perf. Petr. pfd.	15.00	19.00
Prov. Paper pfd.	93.00	95.00
Rel. Grain 6% p.	67.00	73.00
Rob. Cons. Cone	8.00	8.75
Rolland Paper p.	84.00	88.00
Ruddy pfd.	24.00	...
Std. Fuel pfd. b.	100.50	103.50
Supert. Pet. B p.	25.50	27.50
Tor. Carpet Pfd.	30.50	...
United Amuse. B	10.00	12.00
United Amuse. A	11.00	13.00
Unit. Steel A p.	2.75	3.25
West. Grain p. b.	9.00	11.00

Insurance Stocks:

	Bid	Asked
British America	34.00	36.50
Canada Life	442.00	...
Canadian Fire	73.00	80.00
Can. Ins. Sh. com.	10.50	12.50
Con. L. 20% pd.	123.00	126.00

Insurance Stocks: (Continued)

	Bid	Asked
Cont. L. 20% pd.	35.00	39.00
Crown Life	105.00%	...
Dominion Fire	103.00	...
Dom. Life 50% pd.	250.00	300.00
Dom. of Can. Gen.	...	93.00
Empire L. 12½% pd.	2.50	...
Excel. L. 30% pd.	74.00	80.00
Federal F. 25% pd.	35.00	39.00
Fidelity Ins.	...	50.00
Gt.-West Life	390.00	405.00
Guar. of N.A. fully pd.	241.00	...
Imperial Life	306.00	...
Manu. Life	238.00	244.00
Mon. L. 10% pd.	18.50	20.50
Nat. Life 25% pd.	53.00	56.00
Sover. L. 25% pd.	13.00	17.50
Sun Life	4.00	415.00
Tor. General Ins.	4.25	5.00
West. Assur. c.	34.50	37.00
West. Assur. pfd.	35.00	38.00
West. Emp. L. 20% pd.	...	8.50
Chartered Trust	73.00	76.50

Trust & Loan Stocks:

London & W. Tr.	32.25	36.00
Premier Trust	87.00	91.50
Sterling Trust	Bid	Offer
Traders F. B pfd.	62.50	...
Do., com.	.80	...
Trusts & Guar.	34.00	36.50
Victoria Trust	120.00	125.00
Waterloo Trust	97.50	...
Sherbrooke Tr.	110.00	...

Investment Trust Shares:

Can. Gen. Invest.	6.20	6.35
Can. Investors	5.55	6.25
Can. Int. Inv. Tr. Units	25.50	27.00
Can. Invest Fund	3.25	3.70
Cons. Div. St. Sec. Units	10.50	12.00
Deb. & Sec. pfd.	24.00	26.00
Dom. & Anglo Inv. Units	191.00	...
Dom. Scott. In. U.	21.50	25.00
For. Power Sec. p.	...	10.00
Invest. Found. U.	39.50	41.00
Sec. Hold. Units	11.00	13.00
United Corpns. A	14.00	15.00
Do., B	3.50	4.25

Power Issues:

Can. L. & P. c.	25.00	30.00
Can. W. N. G. pfd.	96.00	98.00
Do., com.	20.00	23.50
Gt. Lakes Pwr. p.	55.00	63.00
N. B. Tele. com.	10.80	11.25
N. S. L&P com.	44.00	47.00
Do., pfd.	95.00	97.00

Recent London Quotations:

Brit. Col. Tele., pfd.	$105
Brew. & Distillers	2s. 9d.
Canada Company	7s. 6d.
Can. & For. Secs.	4s.
Can. Collier, $1 com.	1½d.
Do., pref. $10	4½d.
Can. N. W. Land	15s.
Can. West. Lumber	10½d.
Hudson's Bay	18s. 3d.
Do., pref.	98s. 9d.
Imp. Tob. (Canada) 6% pfd.	27s. 6d.
Third Can. Gen. Inv.	6s. 6d.

Dominion and Provincial Bonds

July 3, 1935

Dominion of Canada Bonds

(Furnished by Toronto Bond Traders' Association)

			Bid July 2	Asked July 2	Approx. Yield	Bid June 26
Dominion	3½	15 Oct. 1935	100.35	100.65	1.21	100.35
Dominion	4	15 Oct. 1935	100.50	100.80	1.19	100.50
Dominion	2	15 Oct. 1936	100.00	100.40	1.68	[illegible]
Dominion	5	15 Nov. 1936	104.00	104.40	1.72	[illegible]
‡†Dominion	5	1 Mar. 1937	106.25	106.75	.88	[illegible]
‡Dominion	5½	1 Dec. 1937	109.50	109.80	1.34	[illegible]
Dominion	2½	15 Oct. 1939	100.80	101.30	2.18	[illegible]
Dominion	4	15 Oct. 1939	107.00	107.50	2.18	[illegible]
Dominion	4½	1 Sept. 1940	109.15	109.65	2.50	[illegible]
Dominion	5	15 Nov. 1941	111.15	111.65	2.98	[illegible]
Dominion	3	15 Oct. 1942	101.50	102.00	2.69	[illegible]
Dominion	2½	1 June 1943	98.50	99.00	2.64	[illegible]
Dominion	5	15 Oct. 1943	112.15	112.65	3.25	[illegible]
Dominion	4½	15 Oct. 1944	109.50	110.00	3.25	[illegible]
Dominion	4	15 Oct. '43-45	105.25	105.75	3.21▲	[illegible]
Dominion	4½	1 Feb. 1946	109.65	110.15	3.39	[illegible]
Dominion	3½	15 Oct. '44-49	101.65	102.15	3.23▲	[illegible]
Dominion	4	15 Oct. '47-52	105.00	105.50	3.40▲	[illegible]
Dominion	3	1 June '50-55	97.75	98.25	3.11	[illegible]
Dominion	4½	1 Nov. '46-56	107.85	108.35	3.59▲	[illegible]
Dominion	4½	1 Nov. '47-57	108.00	108.50	3.63▲	[illegible]
Dominion	4½	1 Nov. '48-58	108.50	109.00	3.63▲	[illegible]
Dominion	4½	1 Nov. '49-59	108.65	109.15	3.65▲	[illegible]

Dominion Guaranteed Bonds

			Bid July 2	Asked July 2	Approx. Yield	Bid June 26
*G.T.P. Rly.	3	1 Jan. 1962	98.75	99.25	3.04	98.75
Can. N. Ry.	3	1 May 1944	99.50	100.00	3.00	99.35
Can. N. Ry.	3	15 Dec. '45-50	98.00	98.50	3.12	97.85
*Can. N. Ry.	4½	1 Sept. 1951	111.35	111.85	3.54	111.50
†Can. N. Ry.	4½	15 Sept. 1954	102.50	103.00	4.25•	102.50
*Can. N. Ry.	4½	1 Feb. 1956	111.85	112.35	3.65	111.75
†Can. N. Ry.	4½	1 July 1957	110.00	110.50	3.79	110.15
*Can. N. Ry.	4¾	15 June 1955	114.15	114.65	3.71	114.25
Can. N. Ry.	5	1 Feb. 1964	114.50	115.00	3.87	114.50
*Can. N. Ry.	5	1 July 1969	114.15	114.65	3.56▲	114.25
*Can. N. Ry.	5	1 Oct. 1969	117.00	117.50	3.69▲	117.00
*M. Harb. C.	5	1 Nov. 1969	117.00	117.75	3.67▲	117.00

Provincial Government Bonds

			Bid July 2	Asked July 2	Approx. Yield	Bid June 26
Eastern—						
†N. Bruns.	4½	15 Apr. 1961	107.50	108.50	3.97	107.50
†N. Bruns.	5	15 Jan. 1960	114.00	115.00	4.04	113.00
N. Bruns.	5½	15 May 1950	113.50	114.50	4.19	113.50
N. Scotia	4½	15 May 1943	107.00	108.00	3.34	107.25
†N. Scotia	4½	15 Sept. '47-52	108.25	109.25	3.56▲	108.25
N. Scotia	4½	15 May 1961	109.25	110.25	3.87	109.25
†N. Scotia	5	1 Mar. 1960	115.25	116.25	3.97	115.25
*Ontario	4	1 June 1962	104.50	105.50	3.68	104.50
*Ontario	4½	1 Sept. 1944	109.75	110.50	3.17	109.25
Ontario	4½	1 June 1950	107.65	108.25	3.77	107.75
*Ontario	4½	15 Jan. 1962	108.75	109.75	3.91	108.75
Ontario	5	15 Oct. 1948	111.00	111.75	3.86	111.00
*Ontario	5	2 Dec. 1960	116.00	116.75	3.95	116.00
Ontario	5½	1 July 1946	113.00	113.75	3.95	113.25
O. H. C.	3½-4-5	1 Oct. '33-52	99.25	100.00	3.50▲	99.25
*Ont. Hyd. C.	4	1 Aug. 1957	103.50	104.50	3.70	103.50
Ont. Hyd. C.	4¾	1 Jan. 1970	109.00	110.50	4.17	109.00
Quebec	4	15 Mar. 1952	106.00	107.00	3.45	106.00
Quebec	4¼	1 Aug. 1958	110.25	111.25	3.54	110.00
Quebec	4½	2 Jan. 1963	113.25	114.25	3.68	113.00
Western—						
†Alberta	4	1 Dec. 1957	90.50	92.00	4.58	90.50
†Alberta	4½	1 Oct. 1956	94.25	95.25	4.86	93.50
†Alberta	5	1 Jan. 1948	99.50	100.50	4.95	98.75
Alberta	5	1 Sept. 1955	98.50	99.50	5.04	98.00
*Alberta	5	1 Oct. 1959	100.00	101.00	4.93	99.75
†Alberta	5½	1 Jan. 1947	102.25	103.25	5.13	102.25
Alberta	6	1 Mar. 1947	103.50	104.50	5.48	103.00
†Brit. Col.	4	1 Dec. 1957	91.75	92.75	4.52	91.50
*Brit. Col.	4½	15 Jan. 1951	97.00	98.00	4.68	97.00
†Brit. Col.	4½	1 Oct. 1953	94.50	95.50	4.87	94.25
†Brit. Col.	5	15 Jan. 1948	99.50	101.00	4.90	99.50
Brit. Col.	5	1 Sept. 1953	99.00	100.00	5.00	99.50
Brit. Col.	5½	1 Feb. 1945	101.50	102.50	5.18	101.00
Brit. Col.	6	15 Feb. 1947	103.50	104.50	5.48	103.50
†Manitoba	4	1 Dec. 1957	98.25	99.00	4.07	97.75
†Manitoba	4½	15 Dec. 1956	102.25	103.00	4.28	102.00
†Manitoba	5	15 June 1954	106.50	107.50	4.41	106.50
*Manitoba	5	2 Dec. 1959	107.50	108.50	4.43	107.50
Manitoba	5½	1 Oct. 1955	107.50	108.50	4.84	107.50
Manitoba	6	1 Apr. 1947	108.50	109.50	4.94	108.50
Sask.	4	15 Aug. 1953	89.00	90.00	4.82	88.50
*Sask.	4½	2 July 1945	97.50	99.00	4.62	87.50
†Sask.	4½	1 Oct. 1951	95.25	96.25	4.84	94.50
Sask.	5	1 Aug. 1958	100.00	101.00	4.93	99.25
†Sask.	5½	15 Nov. 1946	103.00	104.00	5.03	102.50
Sask.	6	15 Mar. 1952	106.50	107.50	5.32	106.00

Municipal Bonds

			Bid July 2	Asked July 2	Approx. Yield	Bid June 26
†Calgary	5½	2 June 1944	84.50	87.50	7.40	84.50
†Edmonton	5½	1 Nov. 1945	88.00	91.00	6.73	88.00
†Halifax	5	1 July 1961	112.50	114.00	4.12	112.50
Hamilton	5	1 May 1950	101.00	104.00	4.62	101.00
Montreal	5	1 Mar. 1945	103.00	105.00	4.37	103.00
Ottawa	4½	1 July 1945	106.00	109.00	3.43	106.00
†Quebec	5	1 June 1959	107.00	108.50	4.42	107.00
Regina	5	1 July 1944	79.00	83.00	7.63	79.00
St. John	5	15 Dec. 1950	108.00	109.50	4.16	108.00
†Toronto	4½	1 Jan. 1955	108.50	110.50	3.75	108.50
Vancouver	5	1 June 1969	82.00	85.00	6.04	82.00
Victoria	5	21 July 1945	84.00	90.00	6.34	84.00
Winnipeg	5	1 Mar. 1944	102.00	104.00	4.43	102.00

*Payable Can., N. Y. & £. ▲Calculated to call date giving lowest possible yield. †Payable Can. & N. Y. •Calculated to maturity, although callable prior to that date. ‡Exempt from Dominion income tax.

Montreal, Toronto and Curb Markets (Cont'd)

Active Corporation Bonds

(Furnished by Toronto Bond Traders Association)

July 2, 1935

Public Utility Issues:

	Int. Rate	Due	Bid July 2	Asked July 2	June 26
‡Avalon Telephone	5½%	1948	99	...	
Beauharnois L. H. & Pwr.	5½%	1973	89½	92½	
Beauharnois Power Corp.	5%	1973	34	36	
Beauharnois Power Corp.	5½%	1973	89½	92	
*Bell Telephone	5%	1955	113	115	
*Bell Telephone	5%	1957	116½	118½	
†B. C. Power	5%	1960	97½	100½	
†B. C. Power	5½%	1960	99½	102½	
†B. C. Telephone	5%	1960	104½	107	
†Calgary Power	5%	1960	97½	100½	
Calgary Power	5%	1964	95½	98½	
†Canada Northern Power	5%	1953	100½	103½	
†Cedars Rapids Mfg. & Pwr.	5%	1953	110½	113½	
Dominion Gas & Electric	6½%	1945	77	80	
‡Duke-Price Power	6%	1966	104	106	
*Gatineau Power	5%	1956	87½	90½	
*Gatineau Power	6%A	1941	73	76	
*Gatineau Power	6%B	1941	72	75	
*Internat'l. Hydro-Electric	6%	1944	38	41	
†Maclaren-Quebec Power	5½%	1961	73½	76½	
Maclaren-Quebec Power	5½%	1964	72½	75½	
*Manitoba Power	5½%	1951	50	53	
†Montreal Island Power	5½%	1957	102½	105½	
†Montreal L. H. & Pwr.	5%	1951	106	108½	
†Montreal L. H. & Pwr.	5%	1970	106	108½	107
†Montreal Public Service	5%	1942	105½	...	105
†Montreal Tramways	5%	1955	79	82	79
†Montreal Tramways	4½%	1955	75	78	74
†Montreal Tramways	5%	1941	99½	102½	99
National Light & Power	6%	1949	89	92	88
†N. S. Light & Power	5%	1958	101½	104	101½
†Ottawa Lt., Heat & Pwr.	5%	1957	103½	106	103½
†Ottawa Valley Power	5½%	1970	91½	94½	91
†Power Corp.	4½%	1950	82½	85½	83
†Provincial Light & Pwr.	5%	1946	105	...	105
*Quebec Power	5%	1968	104	106½	103½
†Shawinigan Water & Pwr.	4½%	1970	96½	99	95½
†Shawinigan Water & Pwr.	5%	1970	102	104½	101
†Southern Canada Power	5%	1955	103	106	102½
†United Securities	5½%	1952	77½	80½	75½
†West Kootenay Power	5%	1956	105½	107½	105½
†Western Power Co.	5%	1949	104½	107½	104½
*Winnipeg Electric	5%	1935	98	101	98
*Winnipeg Electric	6%	1954	52½	55½	54

Industrial and Realty Issues:

	Int. Rate	Due	Bid July 2	Asked July 2	June 26
Abitibi Pwr. & Paper	5%	1953	26	29	28
†Acadia Sugar	6%	1946	103	106	103½
†Alberta Pacific Grain	6%	1946	86½	89½	87
‡Asbestos Corp.	5%	1942	69½	72½	68
Brandram-Henderson	6%	1936	98	101	98
British American Oil	5%	1945	105	108	105
British American Oil	4%	1945	99	101	99
Burns & Co.	5½%	1948	46½	49½	47
Canada Bread	6%	1941	103½	106½	103½
†Canada Cement	5½%	1947	103	105	103
†Canada Paper	6%	1945	100	103	100
‡Canada Steamship	5%	1943	98½	101½	98½
Canada Steamship	6%	1941	37	40	37
†Canadian Canners	6%	1950	104½	107	104½
Canadian Cons. Felt	6%	1940	100	103	100
†Canadian Copper Refiners	6%	1945	105■	...	105
Can. Goodrich	7%	1943	100	...	100
*Canadian Internat'l. Paper	6%	1949	65	68	65
C. P. R.	6%	1942	108½	110½	107½
C. P. R.	4½%	1944	96½	99	96
*C. P. R.	5%	1954	105	107	104
C.P.R.	4%	1949	95	98	94
▲C. P. R. Perp. Debs.	4%	....	87½	90½	88
Can. Rail & H. Term.	6½%	1951	22	25	22½
†Canadian Vickers	6%	1947	70	73	71
Consolidated Paper	5½%	1961	13	16	13½
Debenture & Security	4%	1936	90	...	90
†Dominion Canners	6%	1940	109	111½	109
†Dominion Tar	6%	1949	97½	100½	98½
Dom. Wool. & W. (with stock)	6%	1948	14½	17½	15½
†Eastern Dairies	6%	1949	85½	88½	86
Eaton, T. Realty	5%	1949	101½	104½	101½
†Famous Players	6%	1948	101½	104	101½
†Famous Players	6½%	1948	93½	96½	94
†Federal Grain	6%	1949	91½	94½	...
†General Steel Wares	6%	1952	91½	94½	91½
Great Lakes Paper	6%	1950	35	38	35
†Gypsum, Lime & Alabast.	5½%	1948	82	85	84
Hamilton Cottons	5½%	1948	101½	104½	101
*Hamilton By-Prod. Coke	7%	1943	101½	104½	101
*Hinde & Dauch	5½%	1948	101½	104½	101
†Internat'l. P. & F., Nfld.	5%	1968	98	101	98
Kingston Elevator Co.	6%	1950	85	88	85
Lake St. John Pwr. & Pap.	6½%	1947	60	63	57
†London Can. Invest.	4½%	1948	75½	78½	75
London Realty	6%	1950	88	91	88
Massey-Harris	5%	1947	80½	83½	81
McColl-Frontenac	6%	1949	104½	106½	104½
Metropolitan Building	7%	1944	101	...	101
Minn. & Ont. Paper	6%	1945	13	16	13½
*Montreal Coke	5½%	1947	103½	106	103
Montreal Cottons	5%	1947	99½	...	99½
National Grocers	6%	1948	105½	108	105½
Northern Ont. Bldg.	6½%	1939	96½	99	95
Penmans	5½%	1951	109	112	109
Price Bros., C.O.D.	6%	1943	89	93	91
*Provincial Paper	5½%	1947	100½	103½	100½
Queen's Hotel	6%	1947	81	84	81
*Reliance Grain	6%	1948	97½	100½	98½
Richmond Bay Bldg.	6½%	1947	93½	96½	94
†Riordon Pulp & Paper	6%	1942	104	...	104
†Rolland Paper	5½%	1948	102½	105½	102½
Ruddy & Co., E. L.	6½%	1948	87	90	87
St. Lawrence Flour	6%	1941	103	...	103
Simpsons Ltd.	6%	1949	101	104	101
†Smith, Howard	5½%	1953	103	105	103½
Steel Co. of Canada	6%	1940	111½	...	111
Toronto Carpet	6%	1944	102	...	102
United Amusement	6%	1942	95	98	94½
United Grain Growers	5%	1948	88	92	89½
United Grain Growers	5½%	1949	94	97	94
‡Wabasso Cotton	6%	1947	102	105	102
Wabasso Cotton	7%	1942	104	107	104
Western Grain	6%	1949	65	70	...
Woods Mfg.	6%	1943	100½	...	100½
Zimmerknit Mfg. Co.	6%	1951	98	101	98

§Payable in U. S. only. *Payable in Can. or U. S. ‡Payable in Canada or U. K. †Payable in Can., U. S., or U. K. ▲Payable in N. Y. ■Called Aug. 15.

Unlisted Mining Stocks

July 2, 1935

	Bid	Asked
Ascot	.27	.29
Arntfield Gold	.80	.85
Arntfield Synd.	.95	1.05
Adanac	.14	.15
Bailor	.01½	.02½
Bidgood Kirk.	.04½	.06
Big Long Lac	..	.07
Bankfield Gold	.19	.20
Bathurst	.01	.02
Bosquet Gold	.11	.11
Can. Pandora	.04	.05
Canusa Mining	.05	.07
Casey Contact	.07½	.08½
Central Porc.	.22	.24
Cons. Chib. Free	.77	.82
Cons. Chib. Pool.	.60	.70
Columario	.01	.02
Chromium M. & S.	..	.53
Cuniptua	.07	.08
De Santis	..	.20
Dorval Siscoe	3.00	5.00
Dunlop Cons.	.01	.02
El Bonanza	.14	.16
Forty-Four Gold	5.50	6.25
Franklin Gold	.33	.35
Garnet L. Lac	.01½	.02
Glenora Gold	.08½	.09½
Galatea	..	.06
Goldside	.08½	.10
Gold Eagle	.34	.37
Gr. Bear Lake M.	.64	.66
Greenlaw	.05	.06
Hardrock Un.	45.00	48.00
Hardrock	.45	.48
Hislop Gold	.06	.08
Hudson Patricia	.18	.20
Jellicoe	..	.06
Johnson Nip.	.02½	.03½
Kowkash	.08	.10
Kirk. Gold Belt	.07	.09
Lafayette L. Lac	.07	.08
La Palme	.20	.22
Long Lac Lagoon	..	.06
Lamaque Gold	2.00	2.10
MacFarlane	..	.06
MacL. Cockshutt	.04½	.05½
Magnet Lake	.05	.07
Matachewan Can.	.07	.09
McCarthy Webb	.09½	.10½
Morrison Mines	.15	.17
Mosher	.02	.03
North Shores	.03	.04
Oklend	.24	.26
O'Leary	.08	.09½
Pamour Porc.	1.95	2.05
Rice Lake	.02	.03
Sakoose	.04	.06
Shawkey	.39	.41
Silverado Gow.	.30	.33
Smelter Gold	..	.07
Smith Cobalt	.16	.18
Straw L. Beach	.14	.16
Sturgeon R. Gold	.79	.82
Sun Bear	.20	.22
Thom.-Cadillac	.01	.02
Wells L. Lac	.08	.09
Wingold	.12	.14
Wendigo	.17	.20
Young David	.15	.17

Source of quotations on application. Not guaranteed.

Winnipeg Stock Exchange

(Transactions from June 21 to June 27)

Div. rate in $	Yield in %		Sales	High for period	Low for period	Close June 27
..	..	Crescent Cream, pf.	20	27.00	27.00	27.00
..	..	Canadian Rand	1,500	.05½	.05½	.05½
20	5	Great-West Life	20	400.00	398.00	400.00
..	..	Forty-Four	50	5.75	5.75	5.75
..	..	Gold Lake	10,200	.28	.25	.28
..	..	Island Lake	10,000	.05	.04½	.05
..	..	Knee Lake	200	.34	.34	.34
..	..	N.A.M.E.	20	16.50	16.50	16.50
..	..	Rice Lake Shs.	1,000	.03	.03	.03
..	..	Pelissiers, pref.	10	20.00	20.00	20.00
..	..	Wingold	2,500	.12½	.11½	.11½
1	7.1	United Grain	94	14.50	14.00	14.00
..	..	Vanson Man.	1,000	.05	.04½	.05

Stocks Not Traded in During Week*

	Bid	Ask
Beaver Fire	..	100
Beaver Lumber, c.	..	3
Beaver Lumber, p.	69	..
City Dairy A	..	10
Federal Grain	..	1
Federal Grain, pfd.	..	28
Home Investment	25	..
Monarch L. 10% pd.	..	20
West. Grain	.45	..
Do., pref.	8.00	..
Can. Amer. Trust	2.70	3.00
Can. Inv. Fund	..	3.65
Fundamental A	4.50	5.00
Series B	4.25	..
Grouped Inc.	..	4.45

*Stocks more active on other exchanges not included.

Listed Bond Quotations

Week Ending July 1, 1935

	Int. Rate	Due	Yield	Latest Bid	High	Low	Range 1935 High	Range 1935 Low
Mtl. L. H. & P. Debs	3	1939	3.28	48½	48½	48½	49½	46
Mtl. Trams. A.	5	1955	6.94	..	79½	..	79½	77½
Do., 1st mtge.	5	1941	4.90	100	100	..	100½	97½

Although The Financial Post strives to obtain the closest quotations possible on the unlisted stocks and bonds in the various tables on this page and in its mining quotations elsewhere in this issue, the quotations are not guaranteed and no responsibility is assumed in connection with them. In inactive markets, many quotations can be little more than nominal but it is felt that even a nominal quotation giving an idea of approximate price is better than none at all.

Classified Advertisements

Classified ads cost 4c. per word and figure for each insertion. Minimum ad, $1.75. Add five words when box number is required. Classified ads payable in advance.

Business Wanted

FIRM WITH LONG AND SUCCESSFUL manufacturing and selling experience is in a position to add a new line capable of national and export development. Will invest in or buy outright; preferably in old established business of high repute where owners are thinking of retiring. Address in confidence. Box 222, The Financial Post.

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IN CORNWALL, Ontario, fastest growing and most progressive city in Canada. Important site on Toronto-Montreal main Highway No. 2, in business centre of city at main intersection. Ideal location business or commercial site, 60 x 180. Building at present on same revenue-producing. Particulars, Box 130, The Financial Post, Toronto, Can.

Position Vacant

EXPERIENCED REPORTER or financial writer wanted for responsible work on important weekly paper. Must be high grade man, intelligent and studious, capable of getting to the story behind the story. Preferably college man not over 40. Box 140, The Financial Post, Toronto, Can.

DIVIDEND NOTICES

San Antonio Gold Mines Limited

Interim Dividend No. 3

Notice is hereby given that a dividend of seven cents (7c) a share on the outstanding capital stock of the company has been declared, payable August 1st, 1935, to shareholders of record at the close of business on the 15th day of July, 1935.

By order of the Board.

M. SNYDER,
Secretary.

Winnipeg, June 27, 1935.

Penmans Limited

DIVIDEND NOTICE

Notice is hereby given that the following Dividends have been declared for the quarter ending the 31st day of July, 1935.

On the Preferred Stock, one and one-half per cent (1½%), payable on the 1st day of August to Shareholders of record of the 22nd day of July, 1935.

On the Common Stock, Seventy-five Cents (75c) per share, payable on the 15th day of August to Shareholders of record of the 5th day of August, 1935.

By Order of the Board.
C. B. ROBINSON,
Secretary-Treasurer.
Montreal, June 26, 1935.

Montreal Tramways Company

DIVIDEND NOTICE

Notice is hereby given that a dividend of TWO DOLLARS AND TWENTY-FIVE CENTS ($2.25) per share, for the quarter ending June 30th, 1935, has been declared upon the paid in Capital Stock of the Company, to Shareholders of record on Friday, the 5th day of July, 1935, at 4 o'clock p.m. and payable on Monday, the 15th day of July, 1935.

By order of the Board,
PATRICK DUBEE,
Secretary-Treasurer.

Tuesday, June 25th, 1935.

Canadian Bronze Company Limited

DIVIDEND NOTICE

THE quarterly dividend of 1¾% on the PREFERRED STOCK of CANADIAN BRONZE COMPANY, LIMITED, has been declared payable the 1st day of August, 1935, to Stockholders of record as of the 19th day of July, 1935.

Also a quarterly Dividend of Fifteen (15c) Cents per Share has been declared on the present outstanding COMMON STOCK of CANADIAN BRONZE COMPANY, LIMITED, for the three months ending July 31st, 1935. Payable the 1st day of August, 1935, to Stockholders of record as of the 19th day of July, 1935.

By Order of the Board,
W. C. PAQUETTE,
Secretary.

Montreal, P.Q.,
June 28th, 1935.

Soap Company Reduces Hours

Colgate-Palmolive-Peet Co., with Canadian head office in Toronto, announces the shortening of hours for factory employees. The company has a low labor turnover and the present advantageous change is said to result from the efficiency and loyalty of the company's workers.

NOTICE

Dominion licenses have been granted Affiliated Underwriters, Individual Underwriters and New York Reciprocal Underwriters to write riot and civil commotion insurance in addition to the classes for which they are already registered, and licenses have been granted the Fireproof Sprinklered Underwriters and Metropolitan Inter-Insurers to write riot, civil commotion insurance limited to the insurance of the same property as insured under a policy of fire insurance and in addition to the classes for which they are already registered.

Wheat Surplus Piles Up, McFarland is Good Buyer But Neglects Sales Push

Government Agency Purchases to Take Up Fall Hedging — Record of Operations Laid Before Ottawa Shows Steady Accumulation

Stabilization means maintaining a price level. Maintaining a price level involves buying on a falling market and selling on a rising market. John I. McFarland demonstrated ability to buy on a falling market. On the other side of the balance the evidence is not so favorable.

Facts and figures of the McFarland wheat operations were presented to the special committee considering the grain board bill by R. C. Findlay, treasurer of the Canadian Co-operative Wheat Producers.

"Two Bags Full"

During the 47 months that the Government agency has been operating in the Winnipeg market a total of 192.3 million bushels of wheat was purchased. For the same period only 48.4 million bushels were sold. Canada holds a bag crammed with 143.9 million bushels of wheat, and in addition there is another bag holding 76,116,000 bushels, which is the balance of the 76,728,000 bushels taken over from the Canadian Co-operative Wheat Producers in August, 1931.

Wheat prices completed three cycles during those 47 months. In the fall of each year, 1932, 1933 and 1934 prices fell sharply. During these periods buying was necessary to keep the price from going to rock-bottom levels. Through spring and summer each year prices rose. In these periods of rising prices it would be expected that the wheat bought in the fall would be fed into the market. Throughout the entire period there was a gradually rising price level, which, taken by itself, would appear to make conditions satisfactory for stabilization operations, without the necessity of piling up huge stocks of wheat.

The story of the stabilization operations is best told by an analysis of the periods of buying and selling. The first thirteen months, from August, 1931, to September, 1932, stabilization operations were of a minor nature. The price of wheat, until the close of the period remained above the opening level. Holdings of the agency, in September, 1932, were 8.6 million bushels lower than at the end of the opening month of operations. This was the only time that Mr. McFarland dipped into the original holdings taken over from the pools.

Buying Commences

It was in October, 1932, that John I. McFarland really began to buy wheat in a big way. The wheat crop was being marketed by farmers and there was not sufficient speculative interest at the time to absorb the hedging sales of the elevator companies. Mr. McFarland bought a net of 81.1 million bushels in the three months of October, November and December. The price, which had averaged 76⅝ cents for October, fell to the all-time low of 38 cents on December 16, 1932.

Then came a period of rising prices lasting for seven months and culminating in a bull market which carried the price up to 94 cents on July 18, 1933. For the first six months of this period, net sales amounted to only 4.4 million bushels. From the first to the 17th of July, inclusive—in other words as the speculative market reached its peak—the agency disposed of 27 million bushels of wheat.

On July 19 prices broke and in two days fell 25 cents on the Chicago market. The decline in Winnipeg amounted to 15¾ cents. The Government agency was not in the market on the 19th. The next day Mr. McFarland purchased 4.1 million bushels on behalf of stabilization and on the 21st he bought 15.7 million bushels.

The chaotic situation which existed in the market during this week in July, 1933, necessitated the closing of the Chicago market for three days. The advantageous sales made by Mr. McFarland during the first three weeks of the month disappeared. On July 18, the records show a paper surplus of $39,566,080 in favor of the agency. By July 22, this "profit" had dropped to $14,808,067.

Fall Buying Necessary

By September the new crop was again moving on to the market. True the crop was small, but it was necessary for the agency to acquire an additional 57.3 million bushels to absorb hedges in the market and maintain the price. During the crop moving season the price fell to an average of 61⅞ cents for October.

For the ten months from October, 1933, to August, 1934, the price rose almost continuously. Again it would appear that there was an opportunity to sell some of the 130 million bushels of wheat then in the hands of the agency on behalf of stabilization. Actually only a net of 23.2 million bushels was disposed of during the period.

The cost of all wheat under the control of Mr. McFarland was stated to be 75.838 cents per bushel on June 30, 1934. The October future hit a high weekly average of 90⅛ cents for the week ending August 4, 1934. During the week the agency sold a net of 1,104,000 bushels of wheat. There actually were purchases of 25,000 bushels.

History Repeats Itself

For the third time the crop was coming to the market. For the third time prices were falling sharply. In the two months of September and October, 1934, the agency bought a net of 52.9 million bushels of wheat. The price decline was halted at 74¼ cents a bushel for October. Stabilization wheat on hand at the end of October stood at 158,806,000 bushels.

Again the price of wheat started on a gradual rise. This rise continued until April, 1935. Mr. McFarland disposed of 8.2 million bushels of wheat. Canadian stocks of wheat in the hands of the Government, including the original 76 million bushels, now stood at 227.3 million bushels.

John I. McFarland has been in a Winnipeg hospital for the past month. On presentation of the details of the stabilization operations by Mr. Findlay, a telegram was read from Mr. McFarland requesting that he be given an opportunity to defend the policy he pursued during the past four years, as soon as he is physically able.

CROP CONDITION SELDOM BETTER BUT VERY LATE

Rain Transforms Drought Area — Still Rust and Frost Dangers

From Our Own Correspondent

WINNIPEG. — The present crop situation in Western Canada has seldom been better at this time, but it is late. To realize the full possibilities of the growing crop would require a combination of weather conditions for the balance of the season such as has hardly ever been experienced.

The lateness of the crop is due not only to a late seeding season, but was also due to very cool weather experienced after much of the early seeding operations were concluded.

Dangers Ahead

Lateness means increased exposure of the crop to various dangers, of which the principal ones are rust and frost. An early, quick maturing crop, ready to cut by the end of July, escapes to a large extent both frost and rust. But such a crop is the product of a dry season, and is likely to be small in volume. The really heavy crops of Western Canada have been those exposed to a long growing season.

Southern Saskatchewan, because of the dryness of the sub-soil at the beginning of the year, needs a great deal of rain. Given such conditions, it is argued, the south country will be all right, but weather will be too cool and sunshine too scarce to bring the northern crops to maturity sufficiently early to escape frost.

Wheat can stand a lot of frost, but there are critical periods in which anything but the lightest frost may be very serious. One is when wheat is in the blossom, the other is when grain has taken form but has not yet hardened out of the milk stage.

Rust Threat

Rust is a fungous growth on the wheat plant, developing, so far as Western Canada is concerned, from wind-blown spores carried up from across the international border. Rust is already reported in the wheat fields of the United States, so a good deal of spore infestation is to be expected. But no great damage is to be anticipated without the exact combination of warmth and moisture necessary to multiplication of the spores.

Grasshoppers may do a good deal of damage during the next month. Some isolated reports of damage already done have been received. In many districts full preparations have been made for extensive poisoning campaigns.

South Looks Good

The drought area of the past few years has been completely transformed by this year's rain. Much of that great area, during the past six years, has not produced enough to feed itself. From such distress sure relief is now in sight. There is abundant pasturage for stock, and assurance of hay and fodder crops that will not only take care of the year's needs, but enable farmers to lay up reserves against any future seasons of scarcity.

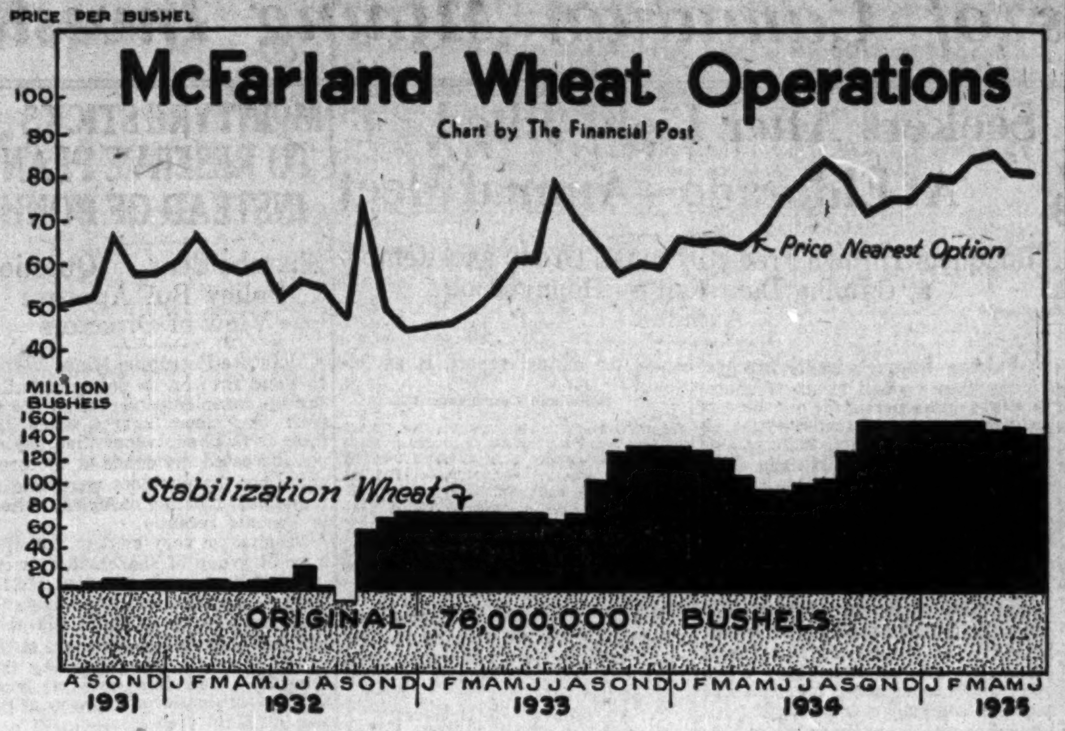
This year's rains have accelerated the process of returning to permanent grass a good deal of land which, it is now recognized, should never have been placed under cultivation. Such reduction, however, as has occurred in seeded acreage in the north is not to be regarded as permanent, as it was due to the inability of farmers to get on their land sufficiently early to complete a full seeding programme.

NOTICE

All the capital stock of a Waterproof Clothing Company is offered for sale at the sum of $117,000.

The Company has been in existence over 40 years. Until the year 1929 the earning power of the Company was sufficient to pay dividends averaging over a period of thirty years of approximately 15%. It is expected that the business during the year 1935 will show a slight profit.

If interested, address communications to **J. B. Taylor, 801 Dominion Bank Building, Toronto.** No agents need apply.



For 47 months John I. McFarland directed the operations of the Canadian Co-Operative Wheat Producers. During that period there were three major breaks in the price of wheat. Mr. McFarland bought wheat on the falling markets to stabilize the price. While the price was rising in the spring and summer months the government agency neglected to lower its stocks of wheat to a reasonable figure. Canada is left with over 225 million bushels of wheat and a new crop is coming on.

National Wheat Policy Provided By New Bill

The Bennett grain bill has undergone drastic changes following investigation in Committee. The redrafted bill introduces a Canadian national wheat policy based upon the Argentine plans. That policy will be one of selling wheat while paying farmers a minimum price. "Stabilization" operations by the quasi-governmental agency are to be forbidden.

Compulsory features of the bill, as originally introduced by the Prime Minister have been left in, but do not become operative except on proclamation. It is unlikely they will ever be proclaimed. A minimum price to be paid the producer will be set by the new board, but the producer will be left free to sell his wheat outright to the regular grain trade, or if he desires he may sell to the board. Wheat purchased by the board will be paid for at the minimum price and producers will receive in addition participation certificates. These certificates will be non-transferable and if any surplus profits accrue from the operations of the board the producers will share on a pro rata basis.

The board may buy from producers only. Purchases on the market are forbidden. The Winnipeg Grain Exchange and all existing machinery for the marketing of wheat will be retained.

The board will take over from the Canadian Co-Operative Wheat Producers the wheat now held under guarantee by the government and will be obliged by law to dispose of this wheat as soon as possible. Canada will again come into the world wheat market to meet the competition of Argentina and Australia. Many features of the new board are similar to the scheme now in operation in the Argentine.

Ottawa Directs Policies

Provision is made for complete government supervision of the operations of the new board. Both the policies of the board and the operations it carries on will be directly under the control of Ottawa. The amended bill is made applicable to wheat only, instead of all grain, as formerly proposed. If it is decided that coarse grains should be included under the bill, special proclamation will be necessary to include them.

POOL OFFICIALS GIVE SUPPORT TO WHEAT BILL

Manitoba President Denies Pools Responsible For Surplus

Paul Bredt, farmer-president of the Manitoba Wheat Pool supported the idea of a board to handle Canada's wheat, in giving evidence at Ottawa on behalf of the pools before the special committee considering the Bennett Grain Bill. L. C. Brouillette, another farmer, and president of the Saskatchewan Wheat Pool, also supported the bill as it stood, suggesting only that it go farther and pay the producer the minimum price at the offset rather than a partial advance.

Mr. Bredt took exception to the suggestion that the pools have been responsible for the building up of the Canadian carryover of wheat, especially in the early years of pool and government operations. He pointed out that in the years 1928-29 and 1930-31, when the pools were in operation, they handled 51.3 per cent of the business in each year and yet at the end of the respective crop years the pools were holding only 41 per cent and 50 per cent of the carryover in the country.

Pools Lacked Finances

Difficulties of the pools, stated Mr. Bredt, were chiefly financial. The pools lacked the financial backing to go into the export business. A wheat board backed by the financial resources of the Dominion would be able to handle the export business, in the opinion of the witness.

The pool president stated that continental buyers preferred to do business with the pools because they had any quantity of any kind of wheat available. Opposition, he stated, came from the middlemen, because of the pools' policy of selling direct to the millers.

Property Confiscation

Mr. Bredt denied the statements of witnesses from the grain trade who alleged the bill meant confiscation of property. The interests of the quarter million farmers and their families in the West are more important than the property of the grain trade and their property infinitely more valuable, he stated.

Questioned regarding the policy of attempting to meet the competition of the Argentine, Mr. Bredt contended that had Canada attempted such a policy, "we would have been contributing to a débâcle such as has not been known in the business, and we would have been blamed just as strongly by those who now criticize us."

Sask. Statement

Presenting a statement issued by the Central Board of the Canadian Co-operative Wheat Producers Ltd., L. C. Brouillette, president of the Saskatchewan Co-operative, stated in part as follows:

"The interest of the organized farmers in matters pertaining to marketing has been continuous and consistent for the last 30 years, and since 1919 the belief has persisted throughout the West that only a central marketing agency handling the whole of western crops would give efficient and satisfactory service and ensure to the farmers the best that the market could do.

Defend McFarland

"That belief has been strengthened by the events of the last four years. Every farmer who has given attention to the situation is now fully aware that if it had not been for the stabilization operations carried on by John I. McFarland, as general manager of Canadian Co-operative Wheat Producers, and guaranteed by the Dominion Government, the price of wheat might have dropped to even more ruinously low levels than it did, particularly in 1932.

"The open market cannot operate efficiently without speculators, and the depression eliminated the speculators, with the consequence that the hedges which circulation now fails to absorb have to be taken care of under stabilization operations. The desire to interfere as little as possible with the normal operations of the trade, however, has simply meant doing in a round-about and expensive way that which can be done more efficiently and economically in a direct way, namely, by establishing a grain board."

Canada's Drug Sales

Nearly 24 per cent of all drugs, drug sundries and patent medicines sold in Canada are sold in departmental stores, 5c. to $1 stores, general stores and patent medicine stores. The percentage varies in different areas.

Key Facts About Wheat

	Week bu.	Prev. Week bu.	Same Wk. Prev. Year bu.
Canadian Wheat in Store:			
Fort William, June 28	73,708,150	71,810,060	55,915,904
Country elevators, June 21	64,272,865	68,472,437	79,898,578
Total all points, June 21	196,837,129	199,492,880	190,756,822
World Shipments, incl. flour: June 28:			
North American	3,000,000	2,062,000	4,541,000
Argentine	3,121,000	2,110,000	3,738,000
Australian	2,022,000	919,000	....
Total, world	7,500,000	7,877,000	10,750,000
Visible Stock: June 25:			
Canadian	119,797,000	117,437,000	101,073,000
United States	24,128,000	25,076,000	74,109,000
Argentine	14,329,000	14,329,000	20,474,000
Country Marketings and Exports:†			
Canadian exports, June 21	1,942,625	782,550	2,585,609
Cum. to June 21 (47 weeks)	109,467,486	107,524,861	139,981,789
Country marketings, June 24	2,701,486	2,038,334	2,932,593
Cum. to June 14 (46 weeks)	211,807,248	209,105,762	211,685,529
Country deliveries, June 28‡	2,102,000	1,807,000	3,121,000
Country loadings, June 28‡	5,750,000	5,632,000	6,673,000

†Excluding flour.
‡Sanford Evans Weekly Report.

Winnipeg Grain Prices

Week to July 2, 1935

Crop year from Aug. 1, 1934 High	Low		Open June 26	High for week	Low for week	Close July 2
		Wheat				
.91½	.80½	July	.80⅞	.83¼	.80⅞	.82¼
.84⅞	.81	Aug.	.81¾	.84¼	.81¾	.83⅛
		Oats				
.45⅝	.35⅛	July	.38¾	.43½	.37⅞	.42¾
.47⅝	.32¾	Oct.	.34½	.35⅝	.34⅛	.34¾
		Barley				
.60½	.35⅝	July	.38⅛	.38½	.35⅝	.36
.48⅞	.36⅝	Oct.	.38⅞	.39⅜	.36⅛	.37½
		Flax				
1.49⅛	1.14½	July	1.21¼	1.21⅞	1.14½	1.15¼
1.41¼	1.15½	Oct.	1.16¾	1.21	1.15½	1.17¼
		Rye				
.66⅝	.38	July	.39¼	.40⅝	.38	.38¼
.56⅝	.41½	Oct.	.42	.43	.41¼	.41¼

Wheat Prices

(Cash Quotations)

	Aver. for week June 22 $	Previous week $
At Winnipeg:		
No. 1 Man. Hard	0.823	0.812
No. 1 Northern	0.823	0.810
No. 2 Northern	0.793	0.780
No. 3 Northern	0.743	0.731
No. 4 Northern	0.678	0.675
No. 5 Wheat	0.613	0.609
No. 6 Wheat	0.598	0.598
Feed Wheat	0.568	0.559
At Vancouver:		
No. 1 Northern	0.820	0.794
At Toronto:		
Milling Wheat	0.700	0.750

Competitive Export Prices:
(June-July) shipment:

	High Week to June 28 $	Low $
No. 1 North. (Vanc.)	0.92¼	0.90¾
No. 2 North. (Atlan.)	0.89⅞	0.88
No. 2 North. (Vanc.)	0.86	0.85¼
Argentine Rosafe	0.72¼	0.72¾
Do., Barusso	0.72½	0.71
Australian	0.80½	0.78⅝
West Australian	0.82¾	0.81⅛
French	0.65¾	0.65

Wheat

Rust in U. S.

WINNIPEG.—A rust scare in the United States was responsible for a sharp marking up of wheat values on the Chicago market during the past week, and that was reflected in a small way by an advance in the nominal price at Winnipeg. So far the extent of damage does not appear to have been very great, but rust seems to have been found in the winter wheat to a sufficient extent to show the possibility of great damage as it extends north into the spring wheat crop.

* * *

Critical Season

IT IS altogether probable that crop conditions at the moment are at their peak for the season. June is traditionally the rainy month on the prairies. July is the month for damage reports. There is equal danger in exaggerating the brilliant promise of the crop at an early date, and of exaggerating the effect of damage from heat, rust and frost, of which reports are almost certain to be heard before the crop is harvested.

* * *

Lake Shipments

MOVEMENT of wheat down the lakes is practically at a standstill. Most of the wheat in terminal elevators at Port Arthur and Fort William is now owned by the government agency. But the movement was confined to making use of distress freight which became available at four cents a bushel to Montreal as against the six-cent rate which formerly prevailed and which has prevailed since. An opinion has got abroad that the government agency is trying to break the freight rate again, and is withholding shipments in the hope that vessel owners will weaken and again quote a lower rate.

* * *

Vancouver Exports

SOMEWHAT corresponding situation prevails with respect to shipments out of Vancouver. It has been customary for exporters from that port to put grain afloat unsold, making hedging sales against their floating stocks in the Winnipeg market, and buying back their hedges when the grain should actually be sold to an importer on the other side.

Paper Losses In Wheat Deal $11 Millions

Net liability of the Canadian Cooperative Wheat Producers or government agency under John McFarland, amounted to $11.6 millions on June 22, 1935, according to figures provided to the special committee considering the grain bill, by R. C. Findlay, treasurer. The liability of the agency shows wide fluctuations over the four years of stabilization operations.

In the hectic bull market of July, 1933, the agency built up a paper profit reaching $39,566,079. Four days later this profit had dropped almost $25 millions. In a little over two months the profit had changed to a net liability of over $12 millions.

As recently as October 1, 1934, the agency was able to show a profit on its operations. It must be remembered, however, that the wheat on hand was valued at the market price. It is highly improbable that anything like that price could have been realized had liquidation been necessary.

Statement of Indebtedness
Figures in brackets indicate surplus.

Date	Total Bank Indebtedness $	Net Liability to Banks $
1931		
July 31	28,387,340	2,558,352
Aug. 31	24,613,460	4,435,060
Dec. 31	14,749,777	746,285
1932		
July 1	25,565,986	11,110,107
Dec. 31	54,952,729	33,121,729
1933		
May 1	30,632,694	9,450,038
June 1	23,799,713	2,821,713
July 1	14,841,800	(9,219,695)
July 14	(12,105,764)	(34,741,959)
July 16	(15,975,305)	(37,158,877)
July 17	(18,545,834)	(38,506,044)
July 18	(19,561,712)	(39,566,079)
July 19	(12,866,128)	(32,771,621)
July 20	(2,311,572)	(23,087,202)
July 21	3,631,060	(20,115,809)
July 22	9,552,443	(14,808,066)
Aug. 1	(6,137,645)	(31,915,777)
Aug. 31	19,703,170	(5,562,064)
Sept. 30	41,593,309	12,756,124
Oct. 31	46,081,476	15,817,746
Nov. 30	51,588,190	19,048,590
Dec. 31	51,577,427	18,859,827
1934		
Jan. 31	41,184,518	8,521,918
Feb. 28	43,649,353	11,710,353
Mar. 31	41,833,848	11,516,348
April 30	47,458,217	17,712,717
May 31	28,720,923	(9,530,615)
June 30	30,701,418	376,962
July 31	22,651,160	(14,807,867)
Aug. 31	25,886,381	(5,023,150)
Oct. 31	30,842,710	(2,289,239)
Dec. 31	44,545,642	5,337,205
1935		
May 31	80,361,741	10,296,925
June 22	79,333,662	11,621,399

Name Bradshaw and Macdonnell Default Agents

Prospective discussions for financial adjustments for large defaulting municipalities bordering Toronto are behind the appointment of Thomas Bradshaw of the North American Life Assurance Co. and J. M. Macdonnell of the National Trust Co. as "fiscal agents" in connection with the defaulters' finances.

Mr. Bradshaw is entitled "financial consultant" of the Ontario Department of Municipal Affairs. Mr. Bradshaw and Mr. Macdonnell represent large creditor interests. It is understood that the appointments indicate the government's desire not to appear to be disregarding the interests of bondholders.

Refinancing schemes may eventually be proposed for East York, Scarborough and North York townships, and for the municipalities of Mimico, New Toronto, Long Branch, Leaside and Weston, all being in default.

Annual Meeting Of Dairy Corp. Delayed Month

Owing to a delay in one or two matters in connection with the recent reorganization of Dairy Corp., the annual meeting of this company has been deferred until July.

It is understood that the recent improvement reported by the company is continuing. Production costs have been lowered and sales increased. In the last year more stable prices have been reported in most of the territory served by Dairy Corp.

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News of Canadian Mining Investments

The Week in Mining

The Hero Gold

MINING men and mining journals are apt to be branded as irrepressible enthusiasts or "boosters" in the lay mind when, in fighting the growing tax burden, they point to the part which gold and other metals have played in assisting Canada through the years of depression.

Recently the mining industry received another noteworthy and totally unprejudiced tribute from a man who has been as much as anyone in Canada in close touch with Canada's affairs during the black years just past.

In an interview given in Vancouver, S. H. Logan, general manager of the Canadian Bank of Commerce, made the unqualified statement that it was Canada's gold production that saved the day in 1931 and 1932 after Great Britain had left the gold standard and while Canada's credit abroad was shaky.

"The shock of Britain's move was a severe blow to Canada," Mr. Logan is quoted as saying. "We owed $2 billions in Great Britain and more than $4 billions in the United States, and the task of servicing those debts was immense.

* * *

Difficult to Borrow

FOR a time, Canada could borrow money neither in London nor in the United States. In fact, with the Canadian dollar dropping steadily in New York until it was at a discount of 25 per cent, there was a grave danger that anxious foreign investors would attempt to draw their money out of Canadian securities.

"But when Premier Bennett took over the gold supply of Canada and told Canadian producers that he would pay them the world price for gold, it meant that Canada had something with which to create confidence.

"Week after week, two and three millions of dollars worth of gold would be shipped to the United States where Canadian obligations were being met. It was reported in the press and it had its effect. Here was a country that had gold to settle its debts! Confidence in Canada was restored, the danger of a flight of foreign capital from the Canadian dollar passed and Canadian exchange came back steadily toward par."

* * *

Tribute to Base Metal

MR. LOGAN also paid tribute to metals other than gold which, he said, had played an important part in Canada's recovery. Lead and zinc of the Consolidated Mining & Smelting Co., nickel from Canadian deposits which constitute 85 per cent of the nickel resources of the world, all helped Canada to turn the corner in 1933 and to make real strides in 1934.

Such a forthright opinion from such a man gives weight to the argument of those who feel that goldmining should bear a comparatively light tax burden. Production in such a situation might be even more stimulated and the beneficial effect, which more and more public men are beginning to recognize, would be enhanced.

* * *

Mining Market Weak

SPECULATORS and investors have evinced little interest in recent sessions of the mining section of the Toronto Stock Exchange and as a result trading has been sluggish. Share prices have sagged and in a number of cases gold shares have pierced new low points for the year. The Toronto Stock Exchange gold index also dropped to the lowest point touched this year.

As in recent weeks price action continues to be erratic with a few stocks showing gains despite the general downward trend of the market. Price changes on the whole have been narrow. Secondary and penny gold stocks have been weak while the senior golds have displayed a firm tendency.

Base metal issues have been a bright spot in a dull market. Prices have remained firm and in some sessions have registered scattered gains. Buying sentiment has been at low ebb in the silvers and as a result prices have tapered off. Oil stocks have received little attention.

Investors Approve Bousquet Gold Plan

Bousquet Gold Mines shareholders have approved the agreement with Lionel Brooke for the sale of treasury shares at a price which would place in the treasury an amount equal to that which Anglo Huronian would have contributed had the latter company continued with its option.

Approval of this step, full details of which were reported in a recent issue of The Financial Post, was given at a special meeting of shareholders held in Toronto recently. By it, Brooke will purchase 100,000 shares at eight cents per share and will be given an option on 900,000 shares at prices ranging from eight cents to 30 cents per share.

Shareholders also approved a bylaw providing for the sale of shares at a discount of not more than 92 per cent or eight cents per share.

Drifting on the 450-ft. level has opened up 100 ft. of commercial ore, Mr. Brooke told the meeting, showing a width of five ft. Sufficient ore has now been developed, Mr. Brooke thinks, to justify installation of a mill of 25 tons daily capacity.

McVittie-Graham Acquires Interest in Mud Lake Area

Official announcement of the acquisition of interests in five groups of claims in the Mud Lake section of Quebec by McVittie-Graham Mines has been made by Alan Cockeram, secretary.

Interests acquired are as follows: 30 per cent interest in the Springer and Thompson groups consisting of three and five claims respectively; 45 per cent interest in the Sharpe, Anderson and Griffin groups comprising 10, 25 and 23 claims respectively.

McVittie-Graham has also acquired an option on a group of claims in the Gwillam Lake area of the Chibougamau district.

LAMAQUE OUTPUT FOR TWO MONTHS TOTALS $166,409

Ore Reserves Increase — Mill Treating 250 Tons Daily

While no details are available as to cost or profits, bullion recovery of Lamaque Gold Mines subsidiary of Teck-Hughes Gold Mines, during its first two months of production indicates that earnings from this source will offset the decline in earnings and production of the parent company's Kirkland Lake property.

In an interim progress report, the first to be issued since the company commenced production on April 9 last, Dr. D. L. H. Forbes, president, outlines the results to date and the present position of the company. From April 9 to June 1 a total of 13,004 tons of ore treated by the mill yielded gross bullion returns of $166,409, an average recovery of $12.79 per ton. So far, Mr. Forbes states, metallurgical results of the straight cyanide treatment check the preliminary ore tests.

At the present time an average of 250 tons daily is being milled with an average recovery of 97.5 per cent. Completion of the first mill unit with a capacity of 500 tons per day, is scheduled for December, 1935.

Ore Reserves

As regards ore reserves the company enjoys a strong position, total positive ore developed continuing to show a sharp increase. As at June 1 ore reserves were estimated at 176,860 tons of an average grade of 6.87 dwt. This compares with a reserve of 126,957 tons of an average grade of 7.06 dwt. as at March 1 last. At the prevailing price for gold ore reserves are valued at $2.1 millions. The estimate of ore reserves is given below in tabular form:

Positive Ore Reserves
As at June 1, 1935

	Tons	Dwt.	Total Dwt.
Blocked ore	141,473	6.90	976,690
Broken ore .	35,387	6.71	237,470
Total Positive Ore	176,860	6.87	1,214,160

During the period reviewed by the interim report about 85 per cent of the ore treated by the mill was obtained from development. This was largely due to work being pushed to increase ore reserves as well as to open up new ground.

New Ore Occurrences

Two new ore occurrences were opened up during the period by diamond drilling and crosscutting. Both, Mr. Forbes reports, are to the northwest and just outside the granodiorite intrusive. The first, on the 450-ft. level, and apparently a lens, since drilling shows it to have comparatively little upward or downward extension, is high grade. It has been opened for a length of 150 ft. and the face is in ore. The second, on the 700-ft. level is a strong, fairly wide, low grade but well defined vein. It has been opened up for a length of 120 ft. and this face is also in ore.

No. 6 shaft, which is the incline production shaft, has been deepened 304 ft. and now reaches a point 14 ft. below the floor of the 700-ft. level. Levels have been established at 450, 575 and 700-ft. Haulage crosscuts to the mine proper have been completed on all levels down to and including the 700-ft. level.

The following tabulation shows development work completed to June 1:

DEVELOPMENT RESULTS
To June 1, 1935

Total Lateral Work Done

Level	Stations ft.	Crosscuts ft.	Drifts ft.
100	132.5	904.5	1,934.5
150	19.0	64.0	78.0
200	113.0	1,633.0	3,627.0
250	20.0	0.	0.
300	115.0	1,496.5	3,236.5
400	20.0	255.5	1,118.0
450	81.0	632.0	1,388.5
575	63.0	610.5	2,209.5
700	70.0	545.5	1,292.5
Totals	633.5	6,141.5	14,884.5

Ore Found

Level	Length ft.	Width ft.	Av. Grade Dwts.
100	605	5.9	5.15
150	65	5.95	10.50
200	1,990	5.70	4.62
250	....	...	....
300	509	5.4	5.22
400	406	5.7	6.33
450	950	5.6	8.87
575	1,103	6.7	6.40
700	674	5.6	6.72
Totals	6,302	5.8	6.07

Vertical Development

Levels	Raising In Ore ft.	Raising In Waste ft.	Winzes In Ore ft.	Winzes In Waste ft.
100	105.0	203.0	...	...
150	....	....	...	...
200	482.0	137.5	...	4.5
250	....	....	...	...
300	400.0	165.0	...	...
400	579.5	100.5	...	...
450	521.0	190.0	16.0	5.5
575	477.0	145.0	...	...
700	99.0	87.0	...	...
Totals ..	2,663.5	1,028.0	16.0	10.0

Federal Gold Gets Montreal Financing

Activity of Fereral Gold Mines is confined to a group of 80 claims known as the Dominion group between the Minto Mine and Congress Mine on Bridge River, a recent progress report of this company reveals. The company also announces that Montreal interests have augmented the treasury by $240,000. Development on this property, started last October, consists of driving a crosscut tunnel to intersect the downward extension of the main ore body exposed on the surface. This tunnel was advanced in the winter 400 ft. by hand methods. During the last two months hand work was discontinued and development confined to further surface work with, it is claimed, encouraging results.

A financial deal was completed in Montreal recently whereby Federal Gold Mines will receive $240,000. Regular payments are already being made to the company. A few days ago a 350 cubic ft. compressor, 75 horsepower motor and the balance of equipment necessary for power operation were shipped from Vancouver to the property. It is expected to have this installed and in operation before July 1 on which date the company will proceed to advance the present tunnel.

Federal Gold also owns outright four claims on Proserpine Mountain adjoining Island Mountain Mine and 25 claims in the Bridge River District adjoining Minto Gold Mines.

Seekers After Light Jilted At Eldorado's Annual Meet

Bouquets Thrown Freely by Small Group as Attempts at Gaining Data Fail — Donnybrook Avoided

Fulsome bouquets for the management from a small group of shareholders and a persistent quashing of all efforts to gain further light on the company's affairs, featured the annual meeting of Eldorado Gold Mines in Toronto

The meeting as a whole was as unproductive of real information as was the annual report released a week or two ago. The management of the company flatly refused to tell what part of the profit from 1934 operations had been obtained from the sale of radium and what part from the sale of securities. When one shareholder asked for details as to the company's investments, his question was three times ignored altogether by the chairman, Charles LaBine. When the shareholder stuck to his guns and repeated his question a fourth time, he was told that the company was not giving out that information.

It was not in the best interests of the company to divulge figures on the sale of radium, Mr. LaBine stated, because Eldorado was Canada's pioneer radium producer, and such information would be too valuable to competitors.

Donnybrook Looms

For a few minutes after the meeting was adjourned, a real Donnybrook seemed imminent as shareholders divided into two camps, centring around the figure of W. R. Sweeney, who had been the most persistent seeker-after-light. Shouts and insults were tossed back and forth, before the shareholders gradually dispersed.

The general tone of the meeting proper was in sharp contrast to the critical storm which faced the management at last year's annual meeting. At this session, criticism was nipped neatly in the bud before it had a chance to flower.

When it was moved that the auditors of the company be changed for the ensuing year, a lively discussion followed. The management spoke highly of the work of the present auditor, and actively opposed any change. One shareholder, who had stoutly supported the status quo, suggested that the appointment of an auditor should be left entirely in the hands of the directors. When it was pointed out to him that such a policy would be in direct conflict with the meaning of the Companies Act, he remarked, "If the auditor suits the directors, he suits me."

Finally, the present auditor was reappointed on a show of hands, a ballot vote being refused.

A profit and loss statement was read, which indicated that the company made a gross profit in 1934 of $77,503.

The statement, which was omitted from the annual report, is as follows:

Profit and Loss Account

	$
Admin'n. exp.	3,639
Int. on loans	2,923
Salaries and wages	16,050
Travelling exp.	3,304
Trustees fees and exp.	1,572
Net profit	51,737
	79,225
Gross profit for year	77,503
Int. on invest.	1,720
	79,223

It will be noticed that the above statement gives no clue as to how much of the gross profit was derived from the sale of products or from sale of securities.

All Above 125-ft. Level

In reply to a question, G. A. LaBine, vice-president of the company, and managing director, stated that the ore estimate of $2.4 million dollars was based on work above the 125-ft. level only. This estimate was a rough one only, and it was claimed in the annual report that "time did not permit the blocking out of ore by raises."

Shareholders were told that the drift 175 ft. west from the shaft on the bottom level, 340 ft. below the surface, under the 800 section, disclosed 3 inches width of ore running 1,500 ounces of silver to the ton. in addition to pitchblende. This was the most important find made west of the shaft. East of the shaft on the 125 ft. level, high grade pitchblende and silver had been located over widths of 12 ft.

No, Mr. LaBine told an enquiring woman shareholder this did not mean 12 ft. of pure silver and pitchblende. There was some rock with it.

No drilling had been done underground as yet.

Port Hope Refinery

Questioned as to operations at the Port Hope Refinery, Mr. LaBine stated that it was operating at about half of its capacity of 36 tons daily. It was hoped to step this up to capacity by the end of the year. By 1936, about 500 and 600 tons of concentrates will be ready for the refinery, which would be sufficient to keep it in operation for two years.

All questions as to how and where the company was marketing its product were met with the reply; "All products have been sold, or are assigned."

Even the cost of the company's big new airplane, used to transport goods and personnel to the railroad, was made a matter of mystery. G. A. LaBine, asked as to the cost of the new ship, thought it was not a fair question. Shareholders thought otherwise. But the cost would come into the 1935 statement, Mr. LaBine countered. Pressed still further, the vice-president stated that the airplane would cost between $60,000 and $70,000. It had already proved its value, he stated.

Lake Shore's Oakes

Undenied Report of Harry Oakes's Resignation Recalls Absorbing Life Devoted to Hunt for Gold

Is Harry Oakes through with Canadian mining?

Officials of Lake Shore Mines have confirmed to The Financial Post the reported resignation of the company's president and managing director. His place has been taken by Dr. W. P. St. Charles, well-known director of Lake Shore.

If this means that Harry Oakes is through with Canadian mining, this industry will lose one of its famous personalities; the man who stuck with the property he staked, and guided its growth from bushland to one of the world's richest mines. The man who searched around the world for gold, and then found it, close to his own back door. The man who, in the infancy of his company, wrote an agreement to sell 500,000 shares of stock at 32½ cents per share on a piece of brown wrapping paper.

Harry Oakes was born 61 years ago, to a family of old New England lineage, in Sangerville, Maine. He was educated at Foxcraft Academy, and at Bowdoin College, from which latter place he graduated with his A.B. in 1896.

On graduation he tried out business for a short term, and found it not at all to his liking. Those were the days when tales of the Yukon were seeping across the world, striking a responsive chord in many a heart. One such chord was struck in the heart of young Oakes, who, two years after he had graduated from irreproachable cloisters, found himself in the rough and tumble of the Yukon gold camps.

The Hunt for Gold

From then on, Harry Oakes's life was motivated by one big impulse, the search for gold. All around the world this impulse carried him—to Alaska, the Philippines, Australia, New Zealand, West Africa, Congo, and South Africa.

Travel weary, but no whit less enthusiastic, he arrived back in Alaska in 1906. After a brief pause, he again hit the trail, this time to Mexico. For five years he worked as a miner and prospector in the Death Valley country of Nevada and California.

In June, 1911, Harry Oakes returned back north, and arrived at Swastika, led on by the discovery of gold in the Porcupine area, and by the newer finds at Kirkland Lake, where, after nearly fifteen years of wandering over the surface of the earth, he was to find his pot of gold, in such abundance as must have staggered even his fertile imagination.

In January, 1912, he staked the Tough-Oakes-Burnside property, now known as Toburn Gold Mines. Later, in the same year, he staked the first claim in what was later to become the world famous Lake Shore Mines, the property that was to make him among the richest men in the world.

Forms Lake Shore

Rapidly he negotiated for and consolidated the adjoining claims. On Feb. 25, 1914, Lake Shore Mines was formed, and four years later, the mill started turning over. That year, Lake Shore paid its first dividend of five cents per share. Since that time, the company has steadily increased its dividend rate. At the present time, Lake Shore Mines is capitalized on the market at well over $100 million.

At the head of this mammoth organization is, or was, the same Harry Oakes—little changed by the wealth which has come his way—who followed the gold-hungry horde into the Yukon. Men in his organization will vouch for the fact that he was no coupon-clipping puppet president, but that he took an active hand in the management of the company, a rôle in which his brief early training in business must have stood him in good stead.

HARRY OAKES

The story of Lake Shore, which is the story of Harry Oakes, was not without its bleak moments. Before the mill started crushing rock in March, 1918, the company was badly in need of funds. The original capitalization of the company was $1,500,000 in $1 par value stock. This was not sufficient to bring the property into production, and it was necessary to increase the capitalization to $2,000,000. The additional 500,000 shares were sold to a group of Buffalo men, at 32½ cents, and the agreement was hastily signed on a piece of brown paper. These gentlemen may now sell these shares at about $50 each.

The money obtained, however, was sufficient to set Lake Shore back on the path, and, once production started, on a basis of 50 tons per day, the track was clear.

No publicity seeker, Harry Oakes is seldom "in the news." Occasionally one hears of him, being presented at court donating a golf course here, a sporting field there, establishing a flying field, or doing one of a number of things for sport, which, next to mining, is his greatest love.

It is extremely doubtful if Harry Oakes will, or can, ever be through with Canadian mining. Not only is his personal fortune, made up largely of over a quarter interest in Lake Shore, dependent on mining, but mining, has been the greatest motivating force of his life.

Even at 61 years of age it is difficult to sever all connections with the greatest motivating force of one's life.

McINTYRE STICKS TO RESERVE PLAN INSTEAD OF BONUS

Shareholders Question Policy But Approve View of Directors

McIntyre Porcupine Mines intends to stand firm on its policy of building up sufficient reserves in ore or cash to redeem shares when the mine is finished, rather than paying out increased dividends at the present time, shareholders were told at the annual meeting of McIntyre held in Toronto recently.

Despite the very evident fact that a small group of shareholders were inclined to favor distribution of McIntyre's surplus, which amounts in globular figures to about $11 millions, or about $12.50 per share at the present time, it was argued by this minority that this was a large enough surplus for a company of the size of McIntyre.

On the whole, however, the statement of J. P. Bickell, president, that those people owning McIntyre shares when the end came should not be left "holding the bag" was received with favor by shareholders.

Attacks Taxation

Mr. Bickell warmly attacked the taxation policies of the various governments, urging the shareholders to voice their opinion when the time came. Last year, he pointed out, McIntyre paid $1,074,661 for taxes, or about $1.35 per share. If the present taxation policy was adhered to, the responsibility for destroying, or leaving in the ground, very large bodies of ore, must rest on the shoulders of those responsible for the onerous taxation burden, he stated. The future of the mining industry was in real jeopardy.

Depth conditions at McIntyre are not yet known below the 3,000-ft. level, R. J. Ennis, mine manager, stated. Last year the mill rate was raised from 2,200 tons to 2,400 tons per day, to counteract the reduction in grade. Ore conditions at the parent property were good, and reserves were now higher than ever before in the company's history, he pointed out.

Like Mud Lake

Both president and mine manager agreed that the best bet as regards outside properties that McIntyre had at the present time, was the Mud Lake group in Quebec.. After a programme of surface work and diamond drilling, which showed very encouraging results, shaft sinking to a depth of 360 ft. is now in progress. Another promising showing has been uncovered some 4,000 ft. south of the shaft, showing lengths of at least 450 ft., widths of 15 ft. and a grade average of .5 ounces gold per ton.

Work was still continuing at Chibougamau, where underground work, while still encouraging, had not shown the values indicated on surface. Only a few drill holes had been sunk and results from these were not conclusive.

Ramore was erratic and had shown everything but ore, he stated. The option had been dropped.

Tribute was paid at the meeting to the late W. J. Sheppard, a director of the company for 15 years, who died last year. His place on the board was taken by Bernard Smith, of New York.

Central Pat. Traces New Vein 90 Feet

From Our Own Correspondent

HUDSON.—Further details of the new ore body found at Central Patricia Gold Mines Ltd. are available. The new find, called the "E" shoot, has been traced for 90 ft. underground, across width of 7½ ft. with values averaging .5 ounce of gold per ton of ore. 105 ft. of lateral development has been done on the "D" oreshoot, and work is continuing on both shoots. Reports from the property state that exceptionally good stoping widths have been maintained at Central Pat. since the mill plant was doubled in capacity, and first ore tonnage estimates have been increased; no serious drop has yet been registered in the grade.

KERR LAKE LISTED ON MINING SECTION OF TORONTO MART

Holding Company Has Entire Capitalization Outstanding

Stock of Kerr Lake Mines, a holding company, has been listed on the mining section of the Toronto Stock Exchange, trading starting July 2.

Incorporated with an Ontario charter in 1917, Kerr Lake has an authorized capitalization of $600,000, in $1 par value stock Of these, the entire amount, with the exception of directors' qualifying shares, were issued to Kerr Lake Mining Co., a New York incorporation in exchange for the entire assets of that company.

In its listing statement to the Exchange the company reported that it has no bonds or mortgages outstanding, although the Kanieri Electric Co., which is a wholly owned subsidiary of the Rimu Gold Dredging Co., of which Kerr Lake owns 57 per cent, has a bond issue outstanding in New Zealand.

The Rimu Gold Dredging has a mining lease from the New Zealand Government consisting of approximately 1,200 acres near Hokitika, New Zealand and its subsidiary furnishes light and power to that town. As of December 31 Rimu Gold had 25,000,000 cubic yards of dredgable ground estimated to yield approximately 15 cents per cubic yard. So far Rimu has produced 156,365 troy ounces of crude gold with values of $19.86 per ounce at the old price of crude gold.

Other Holdings

Other holdings of Kerr Lake are Cariboo Cobalt Mines Co. with share holdings of 83 per cent of stock and slightly over 50 per cent of Vipont Silver Mining Co., a Utah incorporation, the latter company having approximately 1,245 acres in Utah. Kerr Lake owns outright the stock of the company of a like name, the subsidiary having approximately 270 acres in Coleman Township. Production from this subsidiary has been around twenty-eight million ounces of silver and three and three-quarter million ounces have been taken from Cariboo Cobalt, while the Vipont Mine has produced two and three-quarter million ounces.

Kerr Lake Mines has paid dividends since December, 1917, when a payment of 25 cents was made. In 1918 the company made four payments of 25 cents each and two payments of 25 cents each in 1919, reducing this to 12½ cents in 1920 and four payments of 12½ cents in 1921. In 1922 the company made four further payments of 12½ cents, made a similar disbursement in 1923 and paid two 12½ cent dividends in 1924. Twenty-five cents was paid in 1925 and 1926, while in 1927 the company made two payments of 6 cents each and increased this rate to 10 cents for one payment in 1934. The company recently made a payment of 10 cents on June 5th.

At the Mines

Algoma Summit—Machinery for the installation of the enlarged 100-ton mill is now arriving at the mine. Ore is being surfaced for the enlarged plant, and the inclined winze is being sunk. A power line from Goudreau is being raised and it is expected that the Great Lakes Power Corp. will shortly supply power to the property, formerly McCarthy Webb.

* * *

Astoria Rouyn Mines—has filed with the Toronto Stock Exchange duplicate of an original option agreement dated June 8, 1935, granting an option upon one million treasury shares in ten blocks of 100,000 shares each at 5, 6, 7, 8, 9, 10, 11, 12, 13 and 14 cents respectively. At least 100,000 shares are to be taken up every 30 days — the first block is to be taken on or about August 7.

* * *

Austin Rouyn Gold Mines—complete mining plant has been delivered and installed at property in the Rouyn district of Quebec. Shaft sinking at the No. 2 shaft is now proceeding under power and will be continued to 135 feet where drifting will be carried on to open up the vein. Major V. A. Gordon is in charge of operation and a crew of 30 men.

* * *

Beaufor Gold Mines—Shareholders at a special meeting approved the proposal to form a new company with a capitalization of three million shares to take over and develop the Beaufor holdings in which the latter company will receive 1,500,000 shares. The balance of the stock will be for financing and it is stated that work will be resumed at the property immediately. Pierre Beauchemin was elected president and J. T. Rankin, vice-president. Other directors include Leo Timmins, L. A. Sewell, A. S. Paradis and Hector Authier.

* * *

Elizabeth Gold Syndicate — Dewatering of the No. 2 shaft has been finished and sampling of the underground workings is under way. Twenty men are employed at the property.

* * *

Gold Eagle Mines—announces that an issue of 400,000 shares of the company's stock has been called for trading on the New York Stock Exchange.

* * *

Lake Sapawe Gold Mines—Further diamond drilling has been started on this property adjoining Central Canada Mines. During 1934 the property was developed on surface. The Financial Post understands that the financial arrangements have been completed to provide for a summer's development work.

* * *

Lafayette Long Lac—John M. Godfrey, Ontario Securities Commissioner, has announced there was apparently no justification for a recent complaint to the Securities Commissioner that drill cores of this company had been tampered with in order to show much higher values than the drilling justified. Mr. Godfrey stated that the second half of the drill cores were assayed by the Department of Mines and produced practically the same values as were secured by the company.

* * *

Moran Syndicate—in the Casummit Lake area, of Patricia, is arranging finances with a view to drilling the property, which has seen considerable development work. In the meantime, development work has been suspended.

* * *

Morning Star—Construction of mill building has been completed and foundations for all machinery have been poured and completed, The Financial Post is informed. Machinery consisting of crusher ball mill classifier, etc., has been loaded and shipped to Oliver.

* * *

O'Leary Malartic Mines — This company's group of claims in Duprat Twp., Quebec, adjoining the Birrell Gold Mines property have been optioned to interests associated with Birrell Gold Mines, The Financial Post is informed. Surface work on this property has disclosed high erratic values on the No. 1 showing. It is believed that the recent find on Birrell extends across the line into O'Leary Malartic ground.

N. C. URQUHART & CO.
STOCK BROKERS
Members Toronto Stock Exchange
15 King Street West Toronto, Ont.
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HOPE FLIN FLON WILL GIVE SASK. FIRST GOLD MINE

Estimate Ore Body Contains 25,000 Tons of Ore

From Our Own Correspondent

WINNIPEG. — The shaft on the Douglas Lake property of the Flin Flon Gold Mining Syndicate will reach the 125-ft. level in the near future and a station will be cut. The shaft, two compartment, is being sunk on the dip of the vein and the development work is consequently all in ore, which up-to-date has been averaging around half an ounce of gold per ton. The work is being done by contract and good progress is being made. Power is supplied by a large Diesel engine and compressor and the hoist is operated by steam. No decision has been announced yet as to whether or not the company will proceed with mill construction or whether the ore will be shipped to Flin Flon smelter. It is likely that if satisfactory arrangements can be made with the Flin Flon that both programmes may be carried on simultaneously. The distance between the two is only 3½ miles and the road can easily be put in shape for heavy haulage. Ministers of the Saskatchewan government have already inspected the road, which is part of the Beaver Lake highway and, it is understood, have consented to carry out improvements.

The diamond drilling programme indicates that the ore body on which the present shaft is being sunk contains from 20,000 to 25,000 tons of ore per 100 ft. in depth so that chances are excellent that Saskatchewan will shortly be able to boast a producing gold mine. The province is already credited with some gold production from the Flin Flon mine but the Douglas Lake property would be its first direct gold mine.

Interesting Results From Edgecreek Drill

Edgecreek Consolidated Gold Syndicate is diamond drilling in an attempt to prove the downward continuation of the surface veins on its property in the Beatty-Munro Gold areas. The company reports that No. 21 diamond drill hole intersected a vein width of better than three ft. from which assays ran from a trace to $126 per ton in gold and averaged $32 per ton. At a depth of 176 ft., No. 11 drill hole gave assays of $19 to $123 in gold.

No. 22 hole cut a network of quartz stringers at 176 ft which extended in the core for a length of 20 ft. indicating the true width of approximately 14 ft. This core has been sent for assay.

REWARD MINING CO. ACTIVE IN QUEBEC

B. C. Concern Takes Option on Property Near Noranda

Reward Mining Company has under option three placer properties in the Cariboo area of B. C. which are at present being tested by Horace Fraser, C. P. Riel, managing director, informs The Financial Post. Tests so far indicate an average value of $1.10 per yard. It is hoped that by the end of July sufficient testing will have been done to indicate whether or not the company will start placer operations.

The Chapleau gold property on Lemon Creek near Slocan City which Reward took under option last Fall has been resold to the Atlas Gold Mines for an unstated cash consideration and stock interest. Active development is now going on under Atlas Gold's direction.

Recently the company took an option on a gold property 13 miles due west of Noranda in Quebec. Mr. Riel reports encouraging width on this property of 40 ft. The property was acquired on the recommendation of C. S. Lord, consulting geologist of Reward.

Not a Holding Co.

Denying that Reward Mining Co. is merely a holding company, Mr. Riel points out that the policy is to find a worthy property and put it into production, but so far has been unable to find one. Company officials now hope that the Quebec property is the one it has been looking for.

Lack of confidence in British Columbia properties when it comes to securing finances, is one of the reasons advanced by Mr. Riel for the selection of a Quebec property.

NORTHERN CANADA MINING CORPORATION, LIMITED
Invests in Canadian Mines and Mining Properties
68 King St. East, Toronto, Can.

J. E. Grasett & Co.
Members
The Toronto Stock Exchange
302 Bay St.
TORONTO
WAverley 4781
Branch Office:
Dundas & Keele Sts.
Ju. 1167

NO SHARES OFFERED TO PUBLIC BEFORE DIVIDENDS ASSURED

Before Rosedale Gold Mines, Limited, was placed in production and it became evident that earnings were sufficient to pay regular dividends—not one share of its stock was offered to the public.

Rosedale is now operating on a profitable basis—mill tonnage and earnings are increasing steadily—a dividend of 1% has been authorized for payment on August 1st, 1935.

ROSEDALE GOLD MINES, LIMITED
(No personal liability)

Capitalization
(Shares $1.00 par value)
Authorized
3,000,000 shares
Issued
1,250,000 shares

Dividend Cheques
will be mailed direct to shareholders by the Disbursing Agents, Prudential Trust Company, Ltd., Toronto and Montreal.

Officers and Directors
DUNCAN McLAREN, Toronto.....President
Pres. National Lumber Co., Limited
A. W. HOLMESTED, K.C., Toronto, Vice-Pres.
Holmested & Sutton, Barristers
H. W. GREENWOOD, Montreal....Treasurer
Sec.-Treas., Bonded Corporation Ltd.
A. RITCHIE, Toronto............Secretary
W. W. BUTLER..................Montreal
Pres., Canadian Car & Foundry Co., Ltd.
JOHN LOWE.....................Valleyfield
D. McKENNA...................Toronto

While Rosedale's present earnings are sufficient to pay 1% in dividends every other month, the rate of development indicates that the company will be in a position to declare extra dividends, in addition to the regular payments, from time to time.

We are pleased to recommend the shares of Rosedale Gold Mines, Limited, as a desirable gold mine investment. At the current price of 75 cents per share the yield is 8% per annum.

Fully descriptive circular on Rosedale sent on request.

BONDED CORPORATION LIMITED
85 Richmond Street, West, Toronto
ADelaide 7400-8-9

Without obligation, send me circular on Rosedale Gold Mines, Limited.

Name..

Address...

Company Earnings

Loblaw Groceterias

Gross sales of Loblaw Groceterias Ltd., for the fiscal year ended May 31, 1935, were up almost $720,000 over the previous year to approximately $15.5 millions. This was the highest since 1931 and was only exceeded in that year and the two immediately preceding. Due largely to a reduction in income from investments, and, to a smaller extent, to a narrow margin of profit, net earnings were down slightly from 1934. Dividends of $1 per share on the 830,631 shares of class A and B stock outstanding were earned by a margin of 8 cents per share as compared with a margin of 12 cents per share in 1934. In the 1935 surplus account, however, are shown additional income taxes covering the 1934 period of over $10,000 and if this amount is deducted from that year's account the earnings would have amounted to $1.10 per share as compared with $1.08 in 1935. In the last surplus account there is a further deduction of approximately $8,500 for additional income taxes covering 1933.

It is proposed to increase the number of directors from five to seven. The annual meeting of the company will be held at the head office in Toronto on July 16.

Income and surplus account follows:

Income and Surplus Account
Years Ended May 31

	1935	1934
	$	$
Gross sales	15,497,356	14,780,538
Net oper. profit	988,034	......
Add: Interest	51,842	......
Net earnings	1,039,876	1,061,299
Less: Income taxes	143,000	134,000
Net profit	896,876	927,299
Dividends:		
Class A	447,331	449,104
Class B	383,300	383,300
Surplus for year	66,245	94,895
Add: Prev. surplus	2,874,397	2,776,038
Prof. on sale of bds.	......	3,464
Less: Inc. tax., pr. yrs.	*19,000	......
Balance forward	2,921,643	2,874,397

*Comprising $8,572 for 1933, and $10,428 for 1934.

Earnings per Share and Divd. Record:

Classes A & B:		
Earned	$1.08	†$1.12
Paid	1.00	0.85+0.15

†If deduction is made for additional 1934 income tax appropriated in 1935, earnings per share for 1934 would amount to $1.10 a share.

Working Capital

	$	$
Current assets	3,407,643	3,891,227
Current liabilities	923,422	1,102,400
	2,484,221	2,788,827

T. E. Bissell Co.

T. E. Bissell Co. reports a net profit on operations in the fiscal year ended May 31, 1935, for the first time in five years. No depreciation was provided for in 1934, and only $1,000 in 1935, whereas it is estimated that under normal conditions between $5,000 and $7,000 would be set aside for this purpose. Sales showed an improvement of 41 per cent.

Preferred dividends are in arrears since April 1, 1931, the accumulation amounting to $29.75 per share.

Income and Surplus Account
Years Ended May 31

	1935	1934
	$	$
Operating profit	1,175	......
Less: Income tax	24	......
Depreciation	1,000	......
Net profit	151	*6,745
Less: Prev. deficit	27,104	20,359
Deficit forward	26,953	27,104

*Loss or deficit.

Working Capital

Current assets	134,428	133,164
Current liabilities	24,382	23,448
	110,046	109,716

Northwestern Utilities Ltd.

Net profit of Northwestern Utilities, Ltd., for the year ended Dec. 31, 1934, was considerably lower than in the previous year, due chiefly to a decline in gas sales. Working capital showed a substantial decrease. Current assets and liabilities are shown this year at totals almost $2 millions in excess of 1933, largely because of bank loans required to redeem the balance of the 7 per cent 1st mortgage bonds on June 1, 1935.

Income and Surplus Account
Years Ended Dec. 31

	1934	1933
	$	$
Sales of gas	874,914	1,002,932
Less: Disc. & allow.	35,769	43,404
	839,145	959,528
Less:		
Cost of prod., etc.	313,109	458,525
Amortiz. res.	141,458	191,220
Directors fees	400	......
Taxes	116,528	......
	267,650	309,783
Add: Other income	2,791	8,946
	270,441	318,729
Less: Bond interest	161,514	186,835
Other interest	54,886	4,614
S. F. fees & exp.	1,994	......
Bond exp., etc.	7,593	......
Management fees	25,176	......
Net profits	19,278	127,280
Less:		
Pref. dividends	48,147	†112,524
Surplus for year	*28,869	†14,756
Prev. balance	389,608	360,931
Less adjust.	17,125	†13,922
Bal. carried forward	‡343,614	389,609

*Deficit. †Calculated, figures not shown. ‡Also capital surplus of $250,428.

Working Capital

	1934	1933
	$	$
Current assets	2,081,913	159,072
Current liabilities	2,270,950	267,525
Working capital	*189,037	*108,453
Ratio	0.91—1	0.59—1

Bay-Cumberland Properties, Ltd.

Bay-Cumberland Properties shows a large deficit for 1934. This is reached, however, after deducting depreciation and a full year's bond interest. Actually, only one coupon, for a half-year's interest was paid. This was earned before depreciation was charged.

Income Account
Year Ended Dec. 31, 1934

	$
Rentals rec'd. & due	19,584
Add: Interest earned	44
Total revenue	19,628
Less: Expenses	5,681
Management fees	982
Property taxes	4,587
Corporation tax	119
Settle. of former tenants bus. tax	415
Operating profit	7,844
Less: Depreciation	7,599
Bond interest	14,300
Loss for year	14,055
Times Bond Interest Earned:	
Before depreciation	0.55

Crown-Dominion Oil Co.

Harassed by abnormal competitive conditions in the wholesale and retail distribution of gasoline, oils and greases throughout Ontario and mainly in its area west of Napanee, Crown-Dominion Oil Co. had another small operating loss in 1934. H. K. Wood, president, reports that the Central Ontario standard price structures were undermined to a greater extent than heretofore. Retail and wholesaler marketers alike found it difficult to maintain satisfactory volume or a reasonable percentage of gross revenue to sales.

Sales volume, however, was increased. Purchases were made on a favorable basis and only severe competition prevented realization of a profit. A profit sales realization of even a fraction of a cent would turn the operating loss into a fraction of a cent.

Bank loan is up from $42,459 to $53,791 and there is a small working capital deficiency. Sales outlets were increased and gain in volume in 1935 is expected.

Operating Account
Years Ended December 31

	1934	1933
	$	$
Sales	717,852	829,967
Cost of sales	492,384	599,277
Expenses	233,674	240,262
Net loss	8,206	9,572

Working Capital

	1934	1933
	$	$
Current assets	114,999	112,462
Current liabilities	117,445	114,777
Working capital	*2,446	*2,315
Ratio	0.97—1	0.98—1

*Excess of current liabilities over current assets.

Standard Fuel Company

Operations of Standard Fuel Co. and subsidiaries in the fiscal year ended April 30, 1935, resulted in a net profit of $143,875, compared with $189,431 in the previous fiscal period which consisted of 13 months. Income from operations and investments is shown this year after depreciation at $187,733 against $228,744 in 1934.

The income and surplus account comparison follows:

Consolidated Income and Surplus Account
Years ended April 30

	1935	†1934
	$	$
Inc. from oper. & inc.▲	224,154	228,744
Less: Depreciation	36,421	......
Prov. for taxes	37,959	39,313
Directors' fees	4,500	......
W/o prelimin. exp.	1,399	......
Net profit	143,875	189,431
Less appropriations:		
Preferred dividends	78,021	89,692
Common dividends	25,000	......
Surplus for year	40,854	99,739
Add: Previous surplus	333,355	233,616
Less: w/o property*	61,151	......
Balance carried for.	313,058	333,355

▲After provision for doubtful accounts and in 1934 depreciation.

*Unrealized balance of claim and expenses re Church Street Dock property expropriation now written off.

† For 13 months ended Apr. 30.

Working Capital

	1935	1934
	$	$
Current assets	1,271,634	1,299,937
Current liabilities	271,610	214,670
Working capital	1,000,024	1,085,267
Ratio	4.68—1	6.06—1

Canadian Wineries Ltd.

Canadian Wineries, Ltd., Niagara Falls, shows somewhat higher earnings for the year ended April 30, 1935. The company has benefitted by the fact that the Ontario Government has permitted it to open retail stores of its own, but on the other hand has found provincial and federal taxation burdensome.

Consolidated Income and Surplus Account
Years Ended April 30

	1935	1934
	$	$
Net earn. from oper.	95,613	86,515
Less: Depreciation	37,055	36,455
Income tax	9,438	6,802
Directors' fees	740	......
Mortgage int.	459	......
Prov. inc. tax	177	......
Net profit	47,744	43,258
Less appropriations:		
Dividends	22,300	20,293
Surplus for period	25,444	22,965
Add: Prev. surplus	123,997	102,145
Less: Inc. tax adj. pr. yr.	......	*1,112
Balance carried forward	149,441	123,998

*Includes adjustment of depreciation for prior years.

Working Capital

	1935	1934
	$	$
Current assets	650,645	664,357
Current liabilities	196,601	94,253
Working capital	454,044	570,104
Ratio	3.30—1	7.05—1

Professional Offices, Ltd.

The annual report of Professional Offices, Ltd., for the year ended Dec. 31, 1934, shows an operating profit of $9,475. A loss for the year of $11,153 is shown, but this is after allowing for a full year's bond interest and depreciation. During the year only a half year's interest was paid, for the coupon due Jan. 1, 1933, and this was covered by earnings before depreciation.

Income and Deficit Account
Year Ended Dec. 31, 1934.

	$
Rentals	39,650
Less: Operating exp.	21,020
Taxes	6,172
Management fees	2,077
Corp. tax	206
Bad debts prov.	700
Operating profit	9,475
Less: Bond interest	15,645
Int. on coupon No. 5 for 1 yr.	547
Mtge. interest	240
Depreciation	4,336
Add: Int. & discount	140
Loss for year	11,153
Add: Prev. deficit	26,587
Int. on coupon No. 5 for 1 yr.	547
Less: Vacancy allowances, 1932 and 1933 taxes	680
Deficit forward	37,807

Foundation Co.

Total income of the Foundation Co. of Canada and subsidiaries in the year ended April 30, 1935, amounted to $89,077. This compares with $404,429 in the preceding twelve months. Since the close of the year certain of the company's subsidiaries which are engaged in specialized branches of the construction business have shown a marked increase in both volume of business and profit. In addition the company secured a large contract for reconstruction work on the Saint John Harbor, involving around $2.25 million.

The balance sheet does not indicate any material change, while the working capital position is well maintained.

Income and Surplus Acct.
Year ended April 30

	1935	1934
	$	$
G. Op. prof.	63,066	404,429
Sundry rev.	26,011	......
Net earn.	89,077	404,429
Deprec.	91,648	147,468
Taxes	2,000	40,000
Dir. fees	4,494	......
Net profit	d9,065	216,236
Dividends	......	21,150
Surplus	d9,065	195,086
Prev. bal.	899,107	704,020
Balance	890,042	899,107
Pr. year adj.	2,633	......
P. & L. balance	887,409	899,107

d—Deficit.

Working capital position compares as follows:

	1935	1934
	$	$
Current assets	826,263	962,379
Current liabs.	45,939	172,939
Working capital	780,324	789,440

Mining Reports

Arntfield Gold Mines

A strong working capital position as at April 30 last is shown by the annual report of Arntfield Gold Mines, current assets exceeding liabilities by $192,195. Cash on hand at that date amounted to $145,539 and $107,183 was due to the company in balances on capital stock subscriptions for 177,296 shares.

Current liabilities totalled $69,310. In addition there were contracts for future deliveries of mill equipment totalling $20,939.

Mine development costs to April 30 are shown at $520,987 and organization, administration and selling expense at $99,685. Expenditures on the latter account from Oct. 31, 1933, to April 30, 1935, totalled $29,568 after deduction of bank interest and exchange received of $2,120.

Mine buildings and equipment after depreciation are carried at a value of $89,709. Mill buildings and equipment are shown at $84,376, which is the cost of construction to April 30.

While tonnage figures of ore reserves are lacking V. A. James, the company's resident manager, estimates that ore reserves are sufficient for two years at the initial capacity of the mill namely, 125 tons. The average grade is placed at .30 ounce. The ore, Mr. James states, is of the replacement type and marginal values of less than .10 ounce are not considered within the ore section. Considering dilution, it is expected that millfeed will average about $10 per ton at the present price of gold.

Excavation for mill foundation commenced on Feb. 16, and at the present date mill and other construction has reached an advanced stage, the report states. Production, it is expected, will commence about the end of July.

Property Development Costs Account
Oct. 31, 1933 to April 30, 1935

	$
Mining supplies	36,303
Wages	127,132
Engineers' services	13,507
Fuel supply	8,080
Repairs to tools & equip.	8,601
Electric power	17,799
Diamond drilling	10,158
Shaft sinking	4,745
Depreciation, plant, bldgs., etc.	14,779
Gen. devel. exps. (net)	*21,317
	262,421
Add: Balance Oct. 31, 1933	258,566
Balance carried forward	520,987

*After deduction of $14,944 in board receipts and $591 in land rentals.

Working Capital
As at April 30, 1935

	$
Current assets	261,505
Current liabilities	69,310
Working capital	192,195

Alexandria Gold Mines

Robert Crowe-Sword, president of Hercules Consolidated Mining, Smelting and Power Corp., has dropped his option on the Alexandria Mining Co. property in the Nanaimo mining division of British Columbia, The Financial Post is officially informed. Mr. Crowe-Sword's action was due to inability to carry out financial arrangements.

The balance sheet of Alexandria Gold Mines as at May 31, 1935, shows cash of $6,546 as against no liabilities other than to shareholders.

Investments were carried at $2,772,206, being the cost to the company in cash and nominal value of its own shares issued for same. This amount includes advances to its subsidiary, Alexandria Mining Co., for development work, expenditure on claims since abandoned, shares given to secure releases under option agreements and the amount realized from the sale of shares in Alexandria Mining Co. Investments consist of 2,694,549 shares of Alexandria Mining Co., 350,000 shares of Bush Consolidated Gold Mines and 5,000 shares of Hyland Basin Gold Mines.

In the period from Jan. 14, 1928, to May 31, 1935, receipts totalled $251,117 while expenditures totalled $244,571. A detailed statement of receipts and expenditures is given below:

Statement of Receipts and Expenditures
Jan. 14, 1928 to May 31, 1935

	$
Receipts:	
Capital stock subscriptions	231,242
Sale of Alexandria Min. Co. shs.	19,520
Sale of office furniture	185
Interest earned	170
	251,117
Expenditures:	
Alexandria Mining Co. shs.	112,997
Advances to Alex. Mining Co.	82,344
Development outside claims	9,484
Commission on stock sales	5,705
Office salaries	13,807
Office expenses	12,834
Furniture and fixtures	791
Incorporation expenses	2,462
Registrar & transf. fees	3,597
Listing fees	650
	244,571
Cash in bank, May 31, 1935	6,546
	251,117

Arntfield Mining Syndicate

The balance sheet of Arntfield Mining Syndicate as at April 30 last shows investments carried at a cost of $873,600. These include 1,372,000 shares of Arntfield Gold Mines, 164,750 shares of Salmo-Malartic Mines and 64,999 shares of Power Gold Mining Co.

Since the date of the balance sheet 150,000 shares of the syndicate's holdings in Arntfield Gold Mines have been optioned to McLeod, Young, Weir & Co. at prices to average a little over 81 cents per share. The first block of 50,000 shares has already been taken up. Total proceeds from this sale will amount to $122,500. F. S. Arntfield, president, reports that this sum is to be kept intact to be used expressly for Arntfield Gold Mines purposes until that company has been in successful prodction for a sufficient period to have accumulated a strong treasury position.

Working capital as at April 30 totalled $5,473, current assets amounting to $6,843 as against current liabilities of $1,370.

Property development costs for the period Oct. 31, 1932, to April 30, 1935, totalled $3,867. Board receipts amounted to $571, leaving a total of $3,296 to be added to the balance of $89,412 as at Oct. 31, 1932.

Additions to organization, administration and selling expense account for the period amounted to $19,205 net. Total expenditures were $24,345, from which was deducted $4,800 as the portion of the expenses charged to Arntfield Gold Mines and $340 interest. The principal expenses were office rent of $3,050, office and management salaries of $11,897, selling expenses re-sale of shares of $4,599 and travelling expenses of $1,536.

Working Capital
As at April 30, 1935

	$
Current assets	6,843
Current liabilities	1,370
Working capital	5,473

Teck-Hughes Gold Mines

A sharp reduction in earnings of Teck-Hughes Gold Mines in the current fiscal year is indicated by an interim report covering operations during the nine-month period ended May 31 last. Net profit for the period totalled 34.6 cents per share as compared with 63 cents per share in the fiscal year ended August 31, 1934.

During the current fiscal year earnings have declined steadily. In the first quarter a net profit of 13½ cents per share was shown, in the second quarter earnings totalled 11 cents per share and in the quarter ended May 31 were 10 cents per share.

The value recovered during the nine-month period from 286,630 tons of ore from the mine was 94.42 per cent and the total tailing loss was 0.44 dwt. Recovery from re-treated tailings was 66.72 per cent. Seasonal re-treatment of tailings commenced on May 15 and will continue during summer and fall months. Total millheads dropped from 7.60 dwt. for the six months ended Feb. 28 last to 7.42 dwt.

Ore reserves continue to decline, being estimated at 675,550 tons as at June 1, 1935, as compared with 693,624 tons at March 1.

Production
Nine Months Ended May 31, 1935

Dry tons of ore treated	286,630
Dry tons of tailings re-treated	20,017
Total tonnage milled	306,647
Recovery per ton	$11.16

Estimated Earnings
Nine Months Ended May 31, 1935

Gross value of bullion recov. (less bullion tax not offset by 1934 income tax credit)	$3,422,971
Add: Inc. from investments	98,127
Gross earnings	3,521,098
Less: Devel., mining & milling	1,404,216
Insur. & taxes other than bull.	273,828
General expense	155,316
Exp. on outside prop & explor.	25,158
Est. balance to surplus	1,662,580
Est. earnings per share	$0.346

Deep Level Development Summary
Results at June 1, 1935

Level	Length devel. ft.	Ore found ft.	Aver. width ft.	Est. aver grade dwt.
41	1,335	259	8.0	8.75
42	1,343	89	7.4	5.72
43	1,336	452	9.0	7.54
44	1,282	404	9.5	11.71
45	1,332	829	9.2	10.24
46	843	357	7.7	10.99
47	818	0	0.0	0.00
		2,390	8.8	9.80

Positive Ore Reserves
As at June 1, 1935

Location between levels Nos.	Tons	Aver. grade dwt.	Total dwt.
Blocked Ore:			
0-10	3,436	7.28	25,006
10-20	57,338	11.88	681,004
20-30	79,983	10.18	814,241
30-40	225,901	7.30	1,649,006
40-50	73,100	8.89	649,500
	439,758	8.68	3,818,757
Broken Ore:			
0-10	2,556	3.49	8,919
10-20	17,793	6.50	115,740
20-30	125,022	8.06	1,007,918
30-40	86,045	6.31	542,617
40-50	4,376	8.84	38,702
	235,757	7.27	1,713,896
Total Reserves:			
0-10	5,992	5.66	33,925
10-20	75,131	10.60	796,744
20-30	205,005	8.89	1,822,159
30-40	311,946	7.03	2,191,623
40-50	77,476	8.88	688,202
	675,550	8.19	5,532,653

Ore Extracted and Treated
Nine Months Ended May 31, 1935

Blocks	Tons	Aver. grade dwt.	Total dwt.
	286,630	7.71	2,208,593
0-10 level	6,786	5.88	39,930
10-20 level	4,504	5.36	24,158
20-30 level	152,040	7.90	1,201,719
30-40 level	102,274	7.61	778,538
40-50 level	21,026	7.81	164,248
	286,630	7.71	2,208,593
Re-treated tail.	20,017	3.36	67,194
Total millheads	306,647	7.42	2,275,787

Diana Output $140,000 For 11-month Period

Production from Diana Gold Mines, in the Rice Lake section of Manitoba for the eleven months ended June 30, is expected to be about $140,000, officials of the company inform The Financial Post.

A recent report from E. P. Sawyer, mine manager, states that a crosscut is being driven to tap the downward extension of the high-grade stope on the 500-ft. level and a raise is being put up from the 250-ft. level to encounter the downward extension of the 125 ft. stope.

It has been determined that this ore body rakes to the east, so that the raise should reach the high grade in about twenty feet.

During the period when the 100-ton mill is being installed, it is the intention of the management to concentrate on development both on surface and underground. A crew of five men are now engaged in stripping and cross trenching.

Wright-Hargreaves Has Recovery of $1,762,950

Wright-Hargreaves Mines reports bullion recovery of $1,762,950, after deduction of bullion tax, for the three months ended May 31. Tonnage of ore treated totalled 87,885 tons, giving an average recovery of $20 per ton.

For the six months ended Feb. 28 last, the company treated 172,000 tons and recovered bullion to the value of $3,169,475, after deduction of bullion tax. Average recovery for the six months was $18.42 per ton. Net profit for the half year ended Feb. 28 was estimated at $1,997,066, equivalent to 36.3 cents per share.

Mine development is reported to be proceeding at a steady rate with high grade ore sections being opened up below the 3,000-ft. level.

At the Mines

Utica Mines—This company, with property in the Slocan district, has accepted an offer of 2½ cents for 200,000 shares of treasury stock to an interest headed by E. McRae which financed operations last year and paid off the mortgage owing to Stobie Forlong Asset Co. The balance of 328,000 shares remaining in the treasury is also under option at 3½ cents for 90 days but shareholders have the right to take part of the stock at the same price in the ratio of ten present shares to one of treasury. Work at the property has been resumed.

* * *

Veraguas Mines—With the programme of exploration which was laid out about two-thirds completed no new ore bodies have been discovered, according to an official announcement. In the company's annual report it was stated that the future depends on the results obtained from this programme. The company at the present time is treating tailings.

* * *

Wabigoon Contact Bay Gold Mines—Under the direction of Major W. L. Haight, operations are being pushed on this property, under development by the Northern Mines Ltd., a new company recently formed with a Delaware charter. Property is equipped with steam, power, and mining plant with which two shafts were sunk in the former operations to 100 ft. It is planned to continue to 250 ft.

Mining Stock Quotations

Week Ending July 1.

Par Val.	Range 1935 High	Range 1935 Low	Company	Sales	Close June 24 (or last)	High for week	Low for week	Close July 1
1	.57	.38	Afton	40,710	.50	.56	.49	.56
No	.11	.04	Aldermac	3,590	.05	.05	.04½	.04½
1	.02½	.01	Alexandria	2,000	.01½	.01½	.01½	.01½
No	.57	.40	Algold	800	.47	.47	.45	.47
No	.08½	.02½	Algoma	2,800	.05	.04½	.04	.04
No	4.50	3.70	Anglo-Huronian	449	4.15	4.15	4.00	4.00
No	.04	.01½	Arno	500	.02	.02½	.02½	.02½
1	.32	.09	Ashley	1,580	.14½	.14	.14	.14
1	.08	.02½	Astoria Rouyn	5,500	.04½	.04	.03½	.04
1	.14	.04	Bagamac	12,100	.04½	.04½	.04	.04
1	.08	.02½	Barry Hollinger	3,400	.03½	.03½	.03	.03
1	.94	.39	Base Metals	650	.67½	.61	.60	.61
1	.69	.14	B.E.A.R.	68,750	.54	.56	.52	.54
No	2.16	1.27	Beattie Gold	900	1.46	1.45	1.40	1.40
1	.75	.30	Big Missouri	25,550	.65	.63	.56	.58
1	.38	.19	Bobjo	10,660	.22	.22	.20	.20
1	2.95	1.50	Bradian	1,990	2.00	2.03	1.89	1.94
No	12.50	4.45	Bralorne	2,715	5.20	5.15	4.90	4.90
1	.61	.20	Brazil Gold	9,000	.55	.54	.48	.50
1	.03	.01½	Brett Trethewey	......	.02	.....	.....	.....
50c.	.24	.07	Bridge River Ex.	1,100	.09½	.08½	.07	.08½
1	.03	.01	Brownlee	10,400	.01½	.01½	.01	.01
1	3.50	2.50	Buffalo Ankerite	1,030	2.80	2.85	2.77	2.77
No	.03½	.01½	Buffalo Can.	600	.01½	.01½	.01½	.01½
5	38.15	33.75	Bulolo Gold	910	35.50	36.00	35.00	35.00
No	.07½	.03	Bunker Hill	9,000	.07½	.07½	.07	.07
No	.02	.01½	Canam Metals	......	.01½	.....	.....	.....
1	.03½	.01	Can. Kirkland	5,000	.01½	.01½	.01	.01½
No	.75	.54	Can. Marlartic	8,768	.65½	.65	.60	.61
1	1.50	1.05	Cariboo Gold	150	1.15	1.10	1.08	1.08
1	.05½	.02	Cartier Malartic	1,000	.02½	.02½	.02½	.02½
1	1.34	.55	Castle Trethewey	32,650	1.09	1.10	1.05	1.09
1	.07½	.02½	Cen. Manitoba	5,500	.03½	.03½	.03½	.03½
1	1.77	1.12	Cen. Patricia	21,590	1.69	1.71	1.66	1.67
No	.27	.08	Chibougamau Pros.	29,900	.20	.20	.18½	.19
No	.05	.03	Church M. & Mill.	......	.03½	.....	.....	.....
No	.08	.02	Clericy	10,275	.05	.05	.04½	.04½
5	3.25	1.50	Coast Copper	250	1.95	1.95	1.75	1.95
1	.08	.01½	Cobalt Contact	37,900	.02½	.02½	.02	.02½
No	.15	.02½	Columario	1,500	.02½	.02½	.02½	.02½
5	3.60	2.25	Coniagas	......	2.50	.....	.....	.....
No	2.60	1.60	Coniaurum	3,950	1.75	1.75	1.60	1.60
25	184.75	125.50	Cons. Smelters	706	163.00	164.00	161.00	162.00
No	44.00	34.50	Dome Mines	2,010	41.00	42.75	39.10	39.25
1	.10	.04½	Dom. Explorers	1,700	.04½	.05	.04½	.04½
1	.02½	.00½	Dominion Kirk	......	.00½	.....	.....	.....
1	.17½	.08½	Duparquet	22,920	.14½	.14½	.12	.13
1	2.93	1.02	Eldorado	36,525	1.92	2.02	1.86	1.93
No	4.10	3.25	Falconbridge	5,775	3.75	3.85	3.72	3.75
1	.04½	.02	Federal	9,000	.02½	.02	.02	.02
No	.16½	.05	Francoeur Gold	......	.08	.....	.....	.....
1	.45	.25	Gabrielle	100	.25	.25	.25	.25
No	.03½	.01½	Gilbec	2,000	.02	.01½	.01½	.01½
No	2.24	1.24	God's Lake	22,303	1.65	1.65	1.60	1.60
1	.20	.11	Goldale	200	.12	.12	.12	.12
50c.	.46	.25	Gold Belt	......	.31½	.....	.....	.....
10	.19	.10	Goldfield	1,000	.16	.14	.14	.14
1	.15	.04	Goodfish	1,000	.04	.04	.04	.04
1	.07	.02	Graham Bosquet	4,000	.03½	.04	.03½	.04
1	.40	.19	Granada Gold	6,150	.24	.25	.19	.21
No	.12	.06	Grandora	......	.06½	.....	.....	.....
1	.45	.17	Greene Stabell	6,900	.22	.22	.20	.22
1	.05	.02½	Grozelle	1,000	.02½	.02½	.02½	.02½
1	.10	.05	Grull Wihksne	1,000	.06	.05½	.05½	.05½
1	.97	.48	Gunnar Gold	12,750	.72	.68	.66	.68
1	.08½	.02	Halcrow Swayze	2,800	.02	.02½	.02	.02
1	.10	.04	Harker	4,400	.04½	.04½	.04	.04
5	20.25	14.25	Hollinger	3,880	15.30	15.25	14.40	14.60
1	1.10	.75	Howey Gold	12,400	.82	.80	.75	.75
No	16.00	11.50	Hudson Bay	680	15.35	15.25	14.65	14.65
1	15.35	12.25	Inter. Mining	......	12.25	.....	.....	.....
1	6.50	5.00	Do., Pur. Warr.	......	5.00	.....	.....	.....
No	29.12	22.25	Int. Nickel	9,961	28.00	28.00	27.25	27.62
100	130.75	125.00	Do., pref.	15	130.75	125.00	125.00	125.00
1	.20	.11	J. M. Cons. Gold	40,265	.16½	.17½	.15½	.16½
1	.02½	.01	Keora Mines	......	.01½	.....	.....	.....
1	.31	.22	Kirk. Hud. Bay	......	.25	.....	.....	.....
1	.01½	.00½	Kirk. Hunton	......	.00½	.....	.....	.....
1	.65	.35½	Kirkland Lake	12,400	.36	.36	.34	.34
1	.33½	.17	Kirk. Townsite	1,500	.18	.18	.17	.17
No	.07	.03	Lake Maron	1,700	.03½	.03½	.03½	.03½
1	58.00	48.75	Lake Shore	2,687	50.35	51.25	50.00	50.40
1	.08	.03	Lamaque Contact	6,500	.03	.03½	.03	.03
1	.09½	.03½	Lebel Oro	7,000	.05½	.05	.04½	.04½
1	.08	.02½	Lee Gold	17,000	.04½	.04½	.04	.04½
No	7.25	4.85	Little Long Lac	1,880	5.15	5.20	5.00	5.00
1	2.75	1.52	Macassa	17,265	1.70	1.70	1.52	1.65
1	.03	.00½	Malrobic	14,000	.01	.01½	.00½	.00½
No	.10	.06	Mandy	500	.08½	.08	.08	.08
No	.12½	.03	Man. & Eastern	11,000	.05	.05	.04½	.05
1	.14	.04	Maple Leaf	13,100	.04½	.04½	.04	.04
5	46.00	37.00	McIntyre	325	41.00	41.50	40.50	41.25
1	1.45	1.06	McKenzie R.L.	5,325	1.23	1.23	1.17	1.17
1	.70	.60	McKinley	......	.63	.....	.....	.....
1	.46½	.15	McMillan	8,500	.16	.17	.15	.16
1	.40	.10	McVittie	6,100	.15	.15	.13	.13
No	2.15	.45	McWatters	10,875	1.28	1.33	1.25	1.25
No	1.48	.85	Mining Corp.	7,062	1.35	1.36	1.25	1.25
No	.21	.07½	Minto Mines	1,500	.09	.08	.07½	.08
1	.04	.01	Moffatt Hall	17,500	.01½	.02	.01	.01½
1	.16	.09	Moneta	1,300	.10	.11	.09	.11
1	.72	.47	Morris Kirkland	6,800	.67	.67	.65	.65
1	.01½	.00½	Murphy	......	.00½	.....	.....	.....
No	.04	.01½	Newbec	1,500	.01½	.01½	.01½	.01½
1	.04½	.00½	Night-Hawk Penn.	2,000	.01½	.01½	.01½	.01½
5	2.95	2.11	Nipissing	800	2.25	2.28	2.20	2.28
No	43.00	31.00	Noranda	11,029	36.00	37.05	34.60	36.75
No	.31	.20	Nor. Canada	1,500	.20	.20	.20	.20
1	.75	.30	O'Brien	1,400	.38	.39	.36	.36
1	.10	.05	Osisko	......	.06	.....	.....	.....
1	.32	.19½	Parkhill	15,500	.20	.20½	.20	.20
1	.04½	.01	Pawnee Kirk	6,000	.03	.03½	.03	.03
1	.30½	.15	Paymaster	223,555	.26½	.30½	.26	.29½
1	.84	.40	Pend Oreille	4,400	.57½	.55	.53	.53
1	.83	.69	Perron Gold	23,400	.81	.81	.74	.74
1	.09½	.01½	Peterson Cobalt	14,700	.05½	.05½	.04	.04½
1	2.96	2.10	Pickle Crow	28,265	2.47	2.46	2.20	2.20
1	12.25	8.00	Pioneer Gold B.C.	1,830	9.70	9.85	9.60	9.75
1	.06	.03	Porcupine Crown	30,600	.03½	.05	.04	.05
1	.01½	.00½	Potter Doal	......	.01	.....	.....	.....
1	2.05	1.45	Premier Gold	3,505	1.68	1.66	1.62	1.64
1	.02½	.01	Preston E. Dome	2,000	.01½	.01½	.01	.01½
No	3.05	1.25	Prospectors Air's	800	1.51	1.51	1.43	1.45
1	.80	.09½	Quebec Gold	6,750	.70	.70	.64	.64
No	.08	.02½	Quemont	......	.03	.....	.....	.....
1	.90	.55	Read Authier	54,846	.84	.98	.70	.98
No	.41	.27	Red Lake Gold	13,375	.33½	.33½	.32½	.32½
1	1.67	1.21	Reno Gold	2,100	1.44	1.43	1.39	1.39
1	.00½	.00½	Ribago	......	.00½	.....	.....	.....
1	.02½	.01	Ritchie	4,000	.01	.01½	.01	.01½
1	.04½	.02	Robb Montbray	5,000	.02½	.02½	.02½	.02½
1	.10½	.04½	Roche Long Lac	10,500	.06	.06½	.05	.05
1	5.20	3.10	San Antonio	7,016	3.60	3.72	3.58	3.68
50c.	1.25	.54	Sheep Creek	500	.90	.90	.90	.90
1	1.00	.45	Sherritt Gordon	9,865	.58	.58	.53	.55
1	3.29	2.49	Siscoe	14,220	2.66	2.66	2.58	2.61
1	4.60	3.30	South Amer. Gold	200	3.90	3.90	3.90	3.90
1	.07	.02½	South Keora	......	.03½	.....	.....	.....
No	.15	.06	South Tiblemont	4,500	.06	.07	.06½	.07
No	.32	.13½	Stadacona	34,890	.21	.23	.21	.23
1	.39	.15½	St. Anthony	7,400	.16½	.17	.16	.16
No	1.62	1.25	Sudbury Basin	2,770	1.33	1.33	1.30	1.33
1	.11	.05	Sudbury Contact	500	.05	.05½	.05½	.05½
1	.07½	.03	Sudbury Mines	21,700	.05½	.05½	.05	.05½
1	.75	.35	Sullivan Cons.	20,485	.70	.70	.68	.70
1	2.70	2.00	Sylvanite	17,030	2.12	2.15	2.00	2.09
1	.67	.43	Tashota Gold	7,800	.49	.50	.43	.47
1	4.70	3.67	Teck Hughes	6,310	4.10	4.15	4.02	4.09
1	.02½	.01	Timiskaming	......	.01	.....	.....	.....
1	1.45	1.10	Toburn Gold	690	1.12	1.13	1.13	1.13
1	.30½	.10	Towagmac	3,649	.17	.18	.14	.14
1	.30	.12	Treadwell	500	.27	.30	.30	.30
No	.01½	.00½	Vacuum Gas	1,000	.00½	.01	.01	.01
No	.32	.10	Vanson Man.	200	.18	.10	.10	.10
No	1.07	.80	Ventures	7,575	.85	.84	.82½	.83
No	.90	.50	Waite Amulet	1,396	.55	.55	.45	.45
50c.	.24½	.07	Wayside	22,200	.14	.14½	.11½	.11½
No	.10½	.02½	White Eagle	11,300	.02½	.02½	.02½	.02½
1	.03½	.01½	White Lake	......	.02½	.....	.....	.....
1	.07	.04	Wiltsey Coughlan	......	.04	.....	.....	.....
1	.07½	.03½	Wood Kirkland	12,000	.04½	.04½	.04½	.04½
No	9.90	7.85	Wright-Hargreaves	3,130	8.20	8.25	7.85	7.85
No	.85	.33	Ymir Yankee	4,725	.37	.45	.33	.33
			OIL STOCKS					
No	.26	.18½	Acme Gas & Oil	9,100	.19	.19	.18½	.19
1	1.09	.50	Ajax	13,875	.80	.75	.50	.50
No	.85	.49	Calgary & Ed.	1,250	.50	.53	.50	.50
1	.08	.04	Calmont	705	.05	.06	.04	.04
No	.05½	.03½	Common Pete	3,500	.04½	.04	.04	.04
No	.38	.20	Dalhousie	1,750	.20	.24	.23	.24
No	.12	.05	East Crest	2,500	.07	.06	.06	.06
No	.21	.06	Erie Gas	......	.06½	.....	.....	.....
No	.35	.08	Foothills	......	.35	.....	.....	.....
No	.15	.15	High Sarcee	......	.15	.....	.....	.....
No	.80	.50	Home	1,630	.50	.58	.50	.53
1	.13	.08	Homestead O. & G	2,500	.10	.08	.08	.08
No	.13½	.07	Lowery	1,000	.07	.08	.08	.08
No	.27	.16	Merland	20,400	.22	.22	.18½	.18½
1	.41½	.10	Midwal	......	.10	.....	.....	.....
1	.28	.18	Model	150	.21	.20	.18	.20
5	.09½	.03½	Nordon	43,710	.05½	.09½	.06	.07½
No	.07	.03½	Oil Selections	8,000	.04½	.05	.04½	.04½
No	.06½	.03	Olga Gas & Oil	19,300	.04½	.05	.04	.05
1	.65	.40	Petrol Oil & Gas	200	.60	.60	.60	.60
No	27.00	18.00	Royalite	2,465	23.00	23.50	22.80	23.00
No	.12	.04	South West Pete.	......	.04	.....	.....	.....
No	.95	.55	Texas Can	1,550	.75½	.78	.75	.75

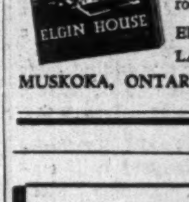
VANCOUVER STOCK EXCHANGE
(Transaction for Week to June 28)

Par Val.	Range 1935 High	Range 1935 Low	Company	Sales	Close June 22 (or last)	High for week	Low for week	Close June 28
1	.02½	.01½	Alexandria	......	.01½	.....	.....	.....
No	.16	.00½	Atlin Pacific	......	.00½	.....	.....	.....
25c	.01½	.00½	Bayview	......	.00½	.....	.....	.....
20c	.10½	.04½	Beaver Silver	6,500	.07½	.06½	.06	.06
25c	.02½	.01	Bluebird	......	.01½	.....	.....	.....
1	2.80	1.50	Bradian Gold	1,500	2.05	2.00	1.80	1.85
No	12.25	4.50	Bralorne	3,490	5.30	5.15	4.75	4.80
1	.08	.03	Bridge River Cons	900	.03	.03	.03	.03
50c	.24	.07½	Bridge River Exp	8,400	.09	.09	.07½	.08½
1	.55	.27	B. C. Nickel	13,450	.28	.29	.27	.28
1	1.55	.90	B. C. Silver	1,700	1.00	1.00	.100	1.00
50c	.10	.05½	Canadian Rand	1,000	.05½	.05½	.05½	.05½
1	1.50	1.00	Cariboo Gold	3,900	1.16	1.15	1.08	1.09
No	14.00	12.50	Coast Breweries	10	13.75	13.25	13.25	13.25
1	.52	.25	Congress Gold	3,200	.30	.29	.25	.29
25c	.00½	.00½	Cork Province	......	.00½	.....	.....	.....
1	.07	.04	Cotton Belt	100	.05½	.04	.04	.04
1	.01½	.01	Dalhousie Mines	......	.01	.....	.....	.....
No	.95	.29	Dentonia	22,375	.35½	.35	.29	.30
No	.06½	.01	Dictator	3,000	.01½	.01	.01	.01
1	.17	.04	Dunwell	5,000	.04½	.04	.04	.04
No	.16½	.06½	Fairview Amal.	9,300	.10	.09	.06½	.08½
50c	.46	.30	Fawn Mining	2,000	.39	.38	.30	.30
1	.08½	.05	Federal Gold	2,000	.06	.06½	.06	.06½
1	.20	.12	George Copper	......	.20	.....	.....	.....
50c	.07	.03	George Enterprise	2,000	.06	.05½	.05½	.05½
1	.01	.00½	Georgia River	......	.00½	.....	.....	.....
50c	.06½	.01½	Glacier Creek	......	.01½	.....	.....	.....
1	.42	.18½	Golconda	8,600	.22½	.22	.18½	.19
5c	.20	.11	Golconda Ex.	......	.20	.....	.....	.....
50c	.45½	.24	Gold Belt	500	.28	.27	.26	.26
50c	.19	.07	Gold Mountain	1,500	.09	.10	.08	.10
50c	.04½	.01½	Grandview	......	.02½	.....	.....	.....
No	.24	.03½	Grange Mines	103,900	.04½	.04½	.03½	.03½
1	.10	.05	Grull Wihksne	3,500	.05½	.05½	.05	.05
No	.03	.03	Haida Gold	......	.03	.....	.....	.....
25c	11.50	6.40	Hecla	......	11.35	.....	.....	.....
50c	.26	.18	Hedley Amal.	45,900	.21	.24	.20	.21
No	.12	.04	Hedley Sterling	......	.10	.....	.....	.....
1	.02½	.01	Hercules Cons.	......	.01	.....	.....	.....
No	.12½	.05	Home Gold	8,300	.05½	.05½	.05	.05½
1	.01½	.01	Independence	......	.01	.....	.....	.....
1	.01	.01	Indian Mines	......	.01	.....	.....	.....
1	.20	.17	Inter'tl Coal	2,000	.20	.20	.20	.20
50c	.87	.68	Island Mountain	6,600	.72	.74	.68	.74
1	.39	.31	Jack Waite	......	.33	.....	.....	.....
50c	.72	.33	Kootenay Belle	3,200	.39	.38	.33	.35
25c	.01½	.00½	Koot. Florence	5,500	.01	.01	.01	.01
1	.01½	.00½	Lakeview	10,000	.01	.00½	.00½	.00½
10c	.04½	.02	Lucky Jim	......	.03	.....	.....	.....
No	.41	.07	Mak Siccar	3,600	.18½	.18½	.15	.15
50c	.00½	.00½	Marmot Metals	......	.00½	.....	.....	.....
1	.21	.15	McGillivray Creek	......	.20	.....	.....	.....
10c	.19	.05	Meridian Min.	24,400	.05½	.05½	.05	.05½
No	.24½	.06	Minto Mines	52,800	.09½	.09½	.06	.07½
50c	.12½	.03½	Morning Star	14,200	.05	.05½	.04½	.05½
1	.02	.01	Morton Woolsey	......	.01	.....	.....	.....
50c	.06½	.03	National Silver	9,000	.03½	.03½	.03½	.03½
50c	.17	.05	Nicola	11,050	.11	.11½	.10	.11½
50c	.16	.05½	Noble Five	22,000	.08	.08	.07½	.07½
No	.09½	.04	Pilot Gold	3,200	.04	.04	.04	.04
1	12.40	9.10	Pioneer Gold	100	9.75	9.65	9.60	9.60
50c	.15	.07	Porter Idaho	5,800	.10	.09½	.08½	.08½
No	.01	.00½	Premier Border	......	.00½	.....	.....	.....
1	.02½	.01½	Quatsino Copper	......	.02½	.....	.....	.....
No	.17	.10	Quesnelle Quartz	2,000	.10	.10	.10	.10
No	.18	.11	Reeves McDonald	......	.13	.....	.....	.....
1	.39	.25	Relief Arlington	1,900	.28	.29	.25	.28
1	1.62	1.24	Reno Gold	6,650	1.44	1.44	1.36	1.39
1	.04½	.02½	Reward Mining	500	.03	.03	.03	.03
1	.01½	.00½	Rugus Argenta	3,000	.01	.01	.01	.01
1	.05½	.01½	Ruth Hope	2,500	.02½	.03	.03	.03
1	.62	.33	Sally Mines	......	.33	.....	.....	.....
50c	.18	.11	Salmon Gold	17,350	.12½	.13	.11½	.11½
50c	1.18	.55	Sheep Creek	15,750	.85	.90	.87	.90
1	.05	.03	Silverado	......	.03	.....	.....	.....
25c	.02½	.00½	Silvercrest	6,000	.00½	.01	.00½	.01
20c	.12	.04	Silversmith	5,500	.04½	.04½	.04	.04½
50c	.01½	.00½	Snowflake	......	.01	.....	.....	.....
10	23.75	11.45	Sunshine	200	19.50	23.00	23.00	23.00
No	.32	.15	Taylor Bridge	41,600	.16½	.20½	.17	.18½
1	.20½	.12	Taylor Windfall	500	.15	.12	.12	.12
5	.35	.30	Toric	......	.30	.....	.....	.....
50c	.10	.03	United Empire	1,000	.04	.04	.04	.04
No	.61	.17	Vidette Gold	......	.17	.....	.....	.....
No	.06	.01½	Viking Gold	......	.02	.....	.....	.....
No	.07½	.02	Waterloo Gold	450	.03½	.02	.02	.02
25c	.01½	.00½	Waverley Tangier	7,500	.00½	.00½	.00½	.00½
50c	.23½	.07½	Wayside	16,300	.14½	.14½	.11½	.11½
20c	.04	.01	Wellington	......	.02	.....	.....	.....
No	.09½	.03	White Eagle	......	.03	.....	.....	.....
1	.14	.04	Whitewater	6,000	.08	.07½	.07½	.07½
No	.83	.40	Ymir Yankee Girl	......	.40	.....	.....	.....
			OIL STOCKS					
1	.10½	.05½	Alta. Pacific	2,000	.08	.05½	.05½	.05½
1	.22	.06½	Amalgamated	35,500	.12	.12½	.09½	.12½
1	.04	.02	Anaconda	......	.02	.....	.....	.....
No	.05	.01½	Baltac	......	.02½	.....	.....	.....
1	.07½	.05	Brit. Dominion	......	.05	.....	.....	.....
1	.25	.06	Crow's Nest	41,600	.12½	.14	.10	.12½
No	.03½	.01	Devenish	......	.02½	.....	.....	.....
No	.11	.05	Freehold	......	.06½	.....	.....	.....
No	.04½	.03	Hargal	......	.03	.....	.....	.....
No	.15	.10	High Sarcee	......	.10	.....	.....	.....
No	.01½	.00½	Madison	......	.00½	.....	.....	.....
No	.17	.10	Marjon Oil	1,500	.11	.11	.10	.10½
No	.05	.02	McD. Segur Ex.	......	.03½	.....	.....	.....
1	.48	.35	McLeod	......	.37	.....	.....	.....
No	.14½	.09	Mercury	14,500	.09½	.10½	.09½	.10½
No	.14	.07	Mill City Pete	......	.07	.....	.....	.....
No	.06½	.04	Okalta	......	.05	.....	.....	.....
No	.10½	.04	Pacalta Oil	......	.04½	.....	.....	.....
1	1.17	.36	Ranchmen's	900	.40	.50	.36	.36
No	.01	.01	Richfield	......	.01	.....	.....	.....
1	.28	.15	Spooner	500	.19	.19	.19	.19
No	.10	.04½	United	4,500	.04½	.05	.04½	.04½
No	.14	.05	Vanalta	......	.05	.....	.....	.....
1	.05	.04	Wellington Oil	......	.05	.....	.....	.....

DIVIDEND PAYERS

	Rate	Yield		Rate	Yield
Acme Gas	2c.	.....	McIntyre	$2	4.84
Anglo Huronian‡	40c.	.....	McKinley Sec.	2½c.	.....
Buff. Ankerite	20c.	7.22	Model Oils	3c.	.....
Bulolo Gold‡	1.20	.....	Nipissing	12½c.	.....
Calgary & Ed.	5c.	.....	Noranda	$1	.....
Coast Brew	92c.	6.94	Nor. Canada†	2c.	.....
Coniagas‡	12½c.	.....	Petrol Oil‡	3c.	.....
Cons. Smelters	$1.25	.....	Premier	12c.	7.31
Dome Mines	$2	5.09	Pioneer, B.C.	80c.	8.20
Falconbridge	7½c.	.....	Reno	12+2c.	8.63
Hollinger	65c.+5c.	4.45	Royalite	75c.	.....
Howe Sound	$3	.....	San Antonio	7c.	.....
Howey Gold	3c.	.....	Siscoe	20c.	7.66
Int. Coal & Coke‡	1c.	.....	So. Amer. Gold	10c.	.....
Inter. Mining	15c.	.....	Sunshine	30c.	.....
Int. Nickel c	60c.	2.16	Sylvanite	20c.	9.57
Kirk. Lake†	3c.	.....	Teck Hughes	40c.	9.81
Lake Shore	2+50c.	3.96	Toburn	8c.	7.08
Macassa	5c.	.....	Wright-Har	40+5c.	5.09

‡Interim. †Initial.



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Gabrielle Works Hard To Prove Up Ore Body

From Our Own Correspondent

WINNIPEG.—With drills on the surface and drills underground, Gabrielle Mines is working hard toward the solving of its geological problems and the establishment of a substantial commercial ore body. During the two weeks ending June 15 a report from George H. Salton, mine manager says 65.2 ft. of crosscutting and 84.1 ft. of drifting was carried out. Over 1,200 ft. of slashing, mainly for diamond drill stations underground, was also undertaken. Underground drilling was commenced on June 6 and on June 15 there was completed 630 ft. A surface diamond drill hole was put down to a depth of 194 ft. in the same period.

On the first level the 211 drift was advanced seven ft. easterly and 12.7 ft. westerly. This drift was on a series of continuous flat northerly dipping veins carrying branching cross veins. Values were erratic and on the average below ore grade. In the east drift from 20 to 30 ft. east of the 201 crosscut the amount of vein material increased greatly showing interesting vein structures striking north-south and east-west.

The 211 east drift was advanced 46.8 ft. Started out as a drift on a flat northerly dipping vein series with fair, though erratic values, the drift from 25 to 35 ft. cut what appears to be a north-south vein system, nearly vertical. Consecutive channel samples on the north wall gave, three ft. .45 ounces; three ft. .15 ounces; four ft., .68 ounces. On the south wall three ft. gave .09 ounces; three ft. .16 ounces; two ft. six inches, .28 ounces; two ft. six inches, .23 ounces. Considerable visible gold occurs in the muck though none has been seen in the faces sampled.

On the second level the 302 crosscut was advanced southerly and then easterly for a total of 55.2 ft. Since the end of the period the crosscut has picked up surface drill hole No. 2 and also a vein.

A 98 ft. drill hole at a 45 degree dip underground on the 206 east drift intersected 46 to 48.4 ft. material giving .11 ounces and 52.1 to 53.9 ft. .38 ounces gold.

Lebel Oro Mines Ready To Mill Low-grade Ore

From Our Own Correspondent

SUDBURY.—After some unexpected delay in installation, it is expected the new ball mill at the Long Lake property of Lebel Oro Mines will be ready to turn over by the middle of this week. It is hoped to place the whole plant, including the 200-ton cyanide mill, in operation within a few days.

The mills are designed to treat the tailings dump left by previous operators, estimated to contain practically 140,000 tons that will grade around $3.50 per ton in gold.

The diamond drilling campaign started a few weeks ago in an effort to locate the fault zone which had been indicated in previous operations at the property, has been discontinued. Some of the flat holes put out from the first level showed low values, but nothing definite in the way of proving continuation of the ore deposit was revealed, it is understood. Unofficially it is believed that for the time being efforts will be centrer on the treatment of the tailings dumps.

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AJAX OIL & GAS PASSES DIVIDEND CONSERVES CASH

Decline in Pressure Makes Pumping of Wells Necessary

Announcement has been made by Ajax Oil and Gas Co. that the board of directors has decided to discontinue the payment of dividends for the time being. This action, according to the official announcement, was deemed advisable in order to conserve the company's cash resources to meet necessary expenditures on the company's wells in Oklahoma and Texas, and to provide funds for development work in Wyoming and in the Dover field.

Ajax Oil commenced paying dividends in 1932, an initial payment of three cents per share being made on April 15 of that year. Quarterly payments at that rate were made until April 15, 1933, when the company reduced its disbursements to two cents per share quarterly. Dividends at this rate have been paid up to and including April 15, 1935.

The Financial Post has pointed out on numerous occasions that dividend disbursements by Ajax Oil have been in excess of earnings. In the fiscal years 1932 to 1934 inclusive, dividends totalled 28 cents per share while the aggregate net profit in these years was equivalent to only 13 cents per share.

To Pump Wells

F. L. Culver, president, reports that due to the declining pressure in the Oklahoma and Texas fields the wells are nearing the point where they will cease to flow their allowable. This means that it will be necessary to bring the oil to the surface by pumping. Equipment for this purpose is to be installed immediately.

Announcement is also made that the company has completed the purchase of a substantial interest in the Mid-American Oil Co. to the extent of 250,000 shares. The second well of Mid-American Oil Corp. at Sheep Creek, Wyoming, was completed in May of this year, and after acid treatment produced 300 barrels of oil per day. A third well is now being drilled.

The production of natural gas in the Dover field is, according to Mr. Culver, reaching a new high this year. Gas sales for the first five months were higher than for the whole of 1934.

The company estimates that gross earnings for the current year will be approximately the same as in 1934.

Current Chatter from Manitoba

From Our Own Correspondent

WINNIPEG. — At Hudson Bay Junction, Dr. D. F. MacDonald and W. B. Fry the former acting in an advisory capacity for Amalgamated Oils and Petroleum Engineering Co. and the latter, field geologist, are making a detailed examination of the field. The intention is to spot a new hole from the information from the drilling of the Trail Blazer-Senator well, a short distance south of the Junction. This well is down 1,085 ft. and is to be left standing in the meantime.

Amalgamated Oils proposes to concentrate its activities in the Kakwa field, which is another 20 miles to the south. Word has been received from the manufacturers of the special drilling machinery ordered, in Minneapolis that delivery will be made shortly. Work will then be resumed immediately and as the machine is said to be extremely fast a number of test wells are anticipated within the next two or three months.

* * *

New Blackfoot Well

A new well on the Blackfoot oil field, south of Regina is to be spudded in immediately. Dr. D. F. MacDonald, Antigonish, N.S., who has been retained in an advisory capacity, has examined the field and has made a recommendation that a new well be put down two miles southeast of the present one, which is now standing at 1,700 ft. He also advised leaving the present well until the new one is finished. There are a number of companies interested in this field including the Amalgamated Oils; Blackfoot Oil and Gas Co.; Regina Oil and Gas Co. and Petroleum Engineering Co. of Winnipeg. These various companies have combined for the purpose of the new well, which it is felt will be of benefit to the individual holdings of all of the interested companies. The log of the well will be available to all and the cost of sinking is to be shared.

* * *

Bruno -Maskwa Busy

Work being done on the Bruno-Maskwa property, in the Bear Lake field, east of Point du Bois is to be very considerably increased. Eastern brokers report satisfactory progress being made on its financing and the small crew of men at present working on the property will be enlarged. Surface work has indicated a vein of considerable promise and shallow shafts have proved it to continue strongly below the surface.

* * *

Rice Lake Gold Exploring

Although Rice Lake Gold Mines has been comparatively inactive during the early part of the present season, it now has a prospecting party making a close examination of the north and east sections which were not covered in last season's operations. Alex Campbell, one of the original prospectors in the Rice Lake area, is in charge of the exploration work. Mr. Campbell was also the original finder and staker of much of the ground which forms the rather extensive holdings of the Rice Lake Gold Mines.

Directors of the company are planning a further drilling programme on the Independence vein and this drilling will be of the deep-hole variety. It is planned to commence as soon as recommendations as to location of the holes have been made by the company's consulting engineers.

* * *

Central Manitoba Drilling

Central Manitoba Mines had a bullion recovery for the month of May of $26,000, according to a statement made by William Hurst, president of the company. The deep diamond drill holes recommended by Prof. Stanley N. Graham are now being drilled but are not yet completed. Mr. Hurst visited the property over the long week-end and made an inspection of the plant and workings. John Drybrough, a director of the company and its consulting engineer is expected to examine the diamond drill cores as soon as they are available and will then report to the company.

Cheaper Fuels

Move to Develop Lignite and Peat Deposits in Ontario Gets Renewed Impetus

Will lignite or peat displace anthracite as a fuel in Ontario homes and factories?

The possibilities of such a substitution have been extensively investigated in the past, and the question is being revived by efforts currently being made to interest the Dominion and Ontario governments in the development of peat and lignite deposits respectively.

Announcement was made in North Bay recently by Col. Malcolm Lang, chairman of the T. and N. O. Railway board, that steps are being taken to pave the way for immediate experiments by the fuel testing branch of the Dominion Department of Mines on some 500 tons of lignite from the Onakawana fields on the Moosonee extension of the railway.

In Ottawa the Federal Government is being asked to assist the development of the peat resources of Ontario and Quebec by a subsidy of $1 per ton on production and sales.

T. & N. O. Sponsors Move

The latest movement to promote the development of the lignite deposits of Northern Ontario is being sponsored by the T. & N. O. Railway, The Financial Post is informed. The matter has been discussed at a conference of high government officials but as yet no announcement has been made as to the government's policy. It is believed unlikely, however, that the government will undertake large scale development of the Onakawana deposits.

Extensive investigation of the possibilities of the Northern Ontario lignite deposits was made by the Ferguson government from 1929 to 1932 in association with the Ontario Research Foundation but during the past two years the project has been dormant.

The deposit examined is located near Blacksmith Rapids on the Abitibi River, 60 miles south of Moosonee. The deposit occurs in two seams and covers an area of approximately six square miles. It lies at an average depth of 65 ft. below the surface and is covered with boulder clay, Cretaceous clay, and sand. In its raw state the lignite contains 50 per cent water, and in this condition has no economic importance.

Several Methods Tried

Because of this latter condition the Ontario Research Foundation investigated several methods for the processing of raw lignite which are currently being used in Europe. Briquetting with a binder was found to be uneconomical. Experiments with the Fleissner desiccation process produced dried lignite which is a good fuel and offers possibilities for industrial and domestic utilization. Flue-gas dried lignite can also be made relatively cheaply from Ontario lignite. It has possibilities for a large consumption by a few industries in Northern Ontario where pulverized fuel firing plants are in use, according to the Ontario Research Foundation.

While finding that it could not recommend any immediate commercial development of the lignite deposit, the Ontario Research Foundation did recommend a further expenditure of $60,000 to mine and process sufficient lignite to test adequately the burning of lignite products in locomotives, and in domestic and industrial furnaces. For some reason the Ferguson government did not see fit to implement this suggestion.

Suggests Test Be Made

One official of the Department of Mines in discussing the subject with The Financial Post suggested that if any further tests are to be made the recommendation of the Ontario Research Foundation should be carried out. He suggested that a small pilot plant be installed and one T. & N. O. locomotive converted to the use of lignite.

The T. & N. O. Railway is interested in the development of the deposit for two reasons. First, a moderate commercial development of the deposit would bring additional freight to the railway, and, secondly, provided certain technical difficulties could be overcome, the railway would secure cheaper fuel.

The general conclusion of the previous investigation was, however, that there is no immediate possibility of the commercial development of lignite in Northern Ontario, and that its value to the province is largely as a contingency fuel reserve.

Peat Subsidy Asked

If British business interests are successful in obtaining a subsidy of $1 per ton on production and sales of peat Ontario may have another source of fuel. Following failure last fall to interest the governments of Manitoba, Ontario, and Quebec in the development of Canadian peat resources the English syndicate, which is closely associated with Peco Ltd., the leading peat company in Great Britain and Ireland, approached the Dominion government with a request for a subsidy. No announcement has been made as to the government's attitude.

The subsidy request is receiving strong support from the Ottawa Citizen. Under that newspaper's auspices H. G. Acres hydraulic engineer and peat expert of Niagara Falls, visited Denmark, Scotland and Ireland to report on the development of the peat fuel industry in those countries.

Peco-Gram Process

In his report Mr. Acres commends the Peco-Gram process, the method proposed for the treatment of Canadian peat. He concludes his report as follows: "The final conclusion is that there exists in the Peco-Gram process an opportunity to make effective use of the heat resources now lying dormant in the peat bogs of Manitoba, Quebec and Ontario, thereby achieving the double purpose of increasing local occupational opportunities as well as the wealth of the community at large."

In supporting the proposal the Ottawa Citizen points out that the Federal Government assists by subsidies eastern coal moving west and western coal moving east to the extent of $2 millions annually. Why not give equal opportunity to the central provinces of Canada to develop their own fuel supply, the Citizen asks.

Hon. Wesley A. Gordon Minister of Mines, Immigration and Labor, speaking in the House of Commons on March 1 this year said: "If there is any fuel that can be provided at a lower cost to the people in what we call the acute fuel area, that is the central portion of Canada, and that will better the situation to the consumer of fuel, then we or any other government would be derelict in our duty if we did not at least see that no barrier was thrown in the way of the development of that fuel."

Large Peat Deposits

Peat deposits in Canada are widely distributed and cover large areas particularly in Ontario and Quebec. Since, however, only a very small fractional part of such areas has been submitted to a detailed investigation, estimates of the extent and workable contents of peat bogs can be regarded merely as a rough approximate. The Federal Department of Mines since 1908 have surveyed and mapped 107 bogs, comprising 228,367 acres and estimated to be producing 198,226,000 tons of peat fuel with 25 per cent moisture content and 13,650,000 tons of peat litter. Of this number, 46 are in Ontario, estimated to have a productive capacity of 112,410,000 tons of peat fuel.

Numerous attempts have been made in the past, especially in Ontario, where a number of large bogs are found in close proximity to large centres of population, to mine peat on a commercial basis and place it on the market as a standard fuel. Over 25 companies have operated various bogs in Ontario from time to time, but the enterprises were gradually abandoned after unsuccessful experiments covering a period of years. Although the actual expenditure involved is not known the aggregate amount of capital lost in these ventures must run into several hundred thousand dollars.

CASTLE-TRETHEWEY PLANS 300-TON MILL

Developed Ore Will Yield Profit of About $750,000

J. P. Bickell, president of Castle-Trethewey Mines, in addressing shareholders at the annual meeting, estimated that there is $4 millions worth of ore developed in the old Crown Reserve and Associated Goldfields properties at Larder Lake which Castle-Trethewey recently undertook to finance to production. This ore should yield a profit of $750,000, Mr. Bickell stated.

Castle-Trethewey's total investment in the enterprise before production is reached will amount to approximately $500,000, the meeting was told. The sum of $150,000 has already been advanced to liquidate debts, and it is estimated that an additional $300,000 to $350,000 will be required before the production stage is reached.

Funds advanced by Castle-Trethewey are a first lien on all earnings. If the estimated profit from developed ore is correct then Castle-Trethewey is assured of return of its entire investment. In addition, Castle-Trethewey is to receive a 50 per cent stock interest in a new company to be formed to take over and operate the properties.

Plan 300-Ton Mill

Plans call for production on a 300 tons daily basis, Mr. Bickell told shareholders. It is expected that production will commence early in November.

In reply to a question from a shareholder Mr. Bickell stated that no consideration is being given to the re-opening of the company's Gowganda property. This question depends entirely on the U. S. silver purchase programme. Until the silver market has reached a point of reasonable stability and price no decision can be made. He estimated that the company could make a profit on the Gowganda operation with silver at 50 cents an ounce.

Hollinger Suspends On Red Lake Option

From Our Own Correspondent

HUDSON. — The Financial Post has learned from an authentic source that operations at the Red Lake option of Hollinger Consolidated — the Couchenour - Willans property—have been suspended, and the engineers, L. Foss and E. Ward, have been recalled. The same source gives out that Hollinger was satisfied to continue underground exploration following satisfactory results, but that arrangements for a renewal of the option, which recently lapsed, could not be agreed upon. It is thought that Hollinger may yet return to the property. At the time of ceasing operations the shaft was down about 200 feet, with a first level at 180 feet being explored.

Zinc Output Rises

Canada produced 26,935,011 pounds of zinc in March as compared with 20,612,690 in the preceding month and 22,774,662 in March, 1934. Zinc production during the first quarter of the current year totalled 73,719,527 pounds; during the corresponding period of 1934 the output was 63,692,165. On the London market zinc quotations averaged 2.61 cents per pound, in Canadian funds; valued at this price the Canadian output during the month was worth $701,689. In February the average price was 2.58 cents and the total value of the month's output was $531,106.

Big Freight Job Let by Cent. Pat. Seek New Road

From Our Own Correspondent

WINNIPEG.—A 1,000 ton freighting contract has been let to Patricia Transportation Co. by Central Patricia Gold Mines, says Charles Wilson, an officer of the transportation company who has been recuperating in Winnipeg from an accident at Hudson in which he received several broken ribs.

The freight contract to Central Patricia is a big job and the Patricia Transportation Company is building eleven additional scows to handle the tonnage, which must all be at the east end of Lake St. Joseph by October 1. Formerly this freight has been handled principally from Savant but will now leave Hudson by water. It is then taken over the 22 mile railway built by the Department of Northern Development, Ontario government last fall at Root River. At the east end of Lake St. Joseph warehouse and dockage accommodation is now being constructed and the freight will remain there until winter conditions obtain. The remaining 22 miles to the mine will then be covered by tractor trains.

The mine company is asking the Ontario government to construct either a truck road or a railroad for this 22 miles, which would make possible summer transportation to the property by water and rail and would bring its freighting costs to a close parity with those obtaining to the Red Lake district.

ONTARIO MINING ASS'N MEETS IN SUDBURY

Members to Visit Frood and Other Inco Plants

For the fourth time since its organization in 1920, the annual meeting of the Ontario Mining Association was held in Sudbury, July 3 and 4 of this week. Donald MacAskill, general manager of The International Nickel Co., president of the association, played host to the members, who after their business meeting visited the Frood Mine and Inco plants in the district.

Wednesday afternoon the visitors went to the plant of the Ontario Refining Co. at Copper Cliff. Thursday they were taken underground at the Frood Mine, and in the afternoon saw the smelter and concentrator at Copper Cliff. The annual banquet of the association was held Wednesday evening.

Officers of the association in 1934-35 were: Pres., Donald MacAskill; R. J. Ennis, general manager McIntyre Porcupine Mines, 1st vice-president; M. W. Summerhayes, general manager Wright-Hargreaves Mines, second vice-president; G. C. Bateman, secretary. The annual election of board of directors and officers took place at the current meeting.

The BACHELOR'S CORNER

THE day I got my first raise, and I was feeling pretty cocky about it, my father took me out onto the verandah after dinner and he said, "Well, son, I suppose I can retire any day, now that we have a real bread-winner in the family. You're making more money than I did at your age; but money isn't everything. It's value that counts. I made that discovery a good many years ago."

And he handed me a Bachelor cigar, struck a match, and I had my first real smoke.

"There's a good example of what I mean by value," he said. "I've been smoking Bachelors for twenty-five years; if you're wise you will too."

Every time I take a long, grateful pull on a Bachelor and enjoy that rich Havana fragrance, I realize what the old man meant. And he's still right.

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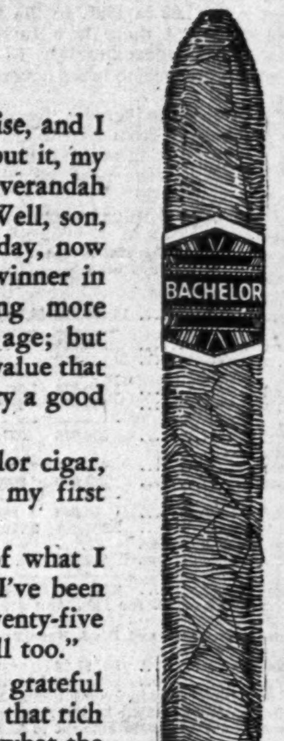

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